Vestas®

Wind. It means the world to us.™

Leading the renewable journey

Javier Rodriguez Diaz

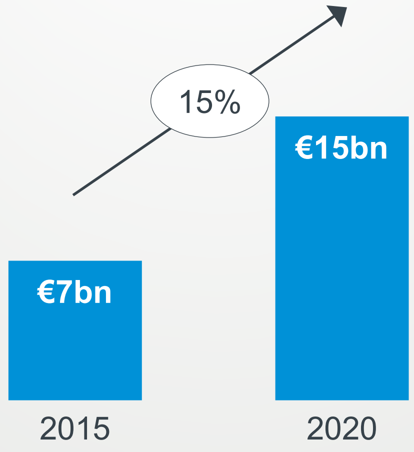
Chief Sales Officer

AGENDA

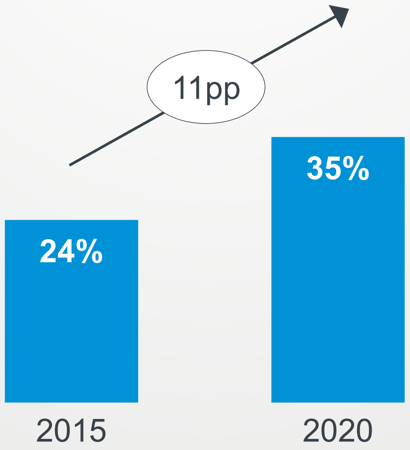
1. Wind market outlook to 2030
2. Value creation
3. Market leadership

VESTAS POWER SOLUTIONS AT A GLANCE

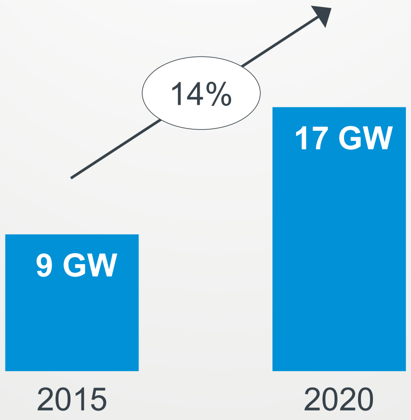
Revenue



Volume market share*



Order Intake



Today

- **146 GW** track record
- Installations in **85 countries**
- **EUR 19bn** backlog (>24 GW)

*Source: *Wood Mackenzie, excl China*

ATTRACTIVE LONG-TERM MARKET POTENTIAL FOR WIND

Short-term re-adjustment followed by strong long-term growth with significant upsides

Wind installations towards 2030
In GW

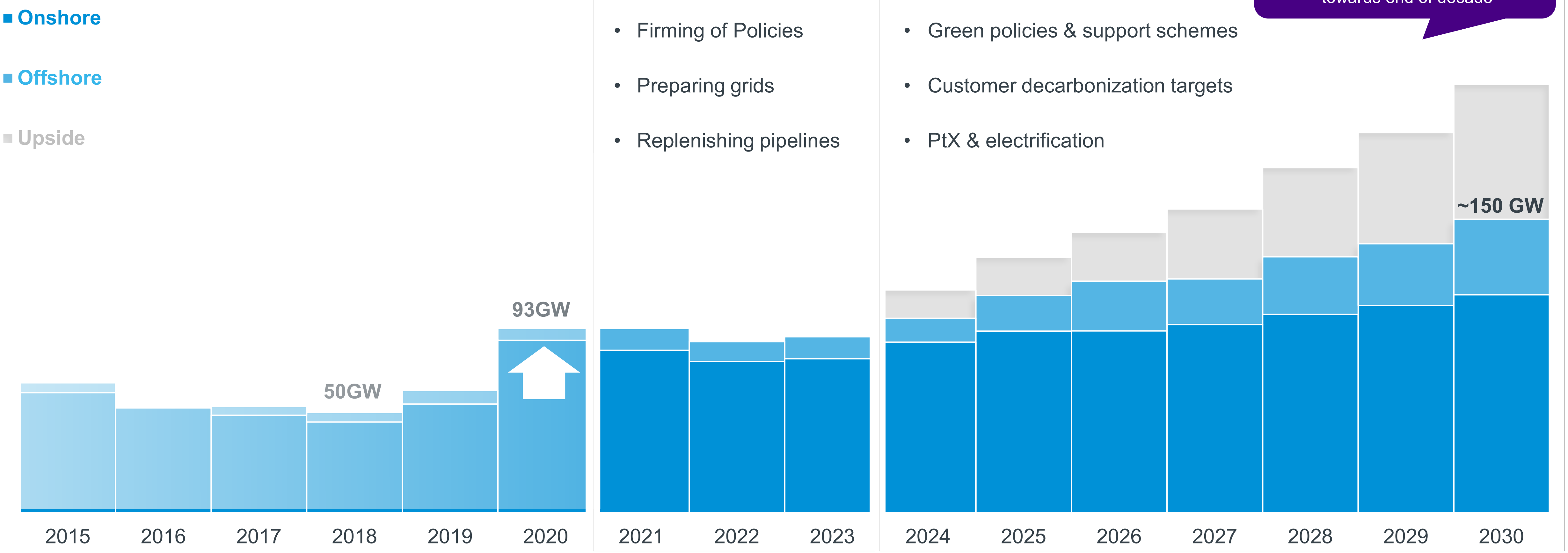
Near term re-adjustment
to new market scale

- Firming of Policies
- Preparing grids
- Replenishing pipelines

Longer term growth
towards a lower carbon reality

- Green policies & support schemes
- Customer decarbonization targets
- PtX & electrification

Gap to 'Net Zero' scenario requires **additional +100 GW/year** towards end of decade



*Source: Vestas; *Directionally based on IEA World Energy Outlook: Net Zero Emissions 2050 scenario*

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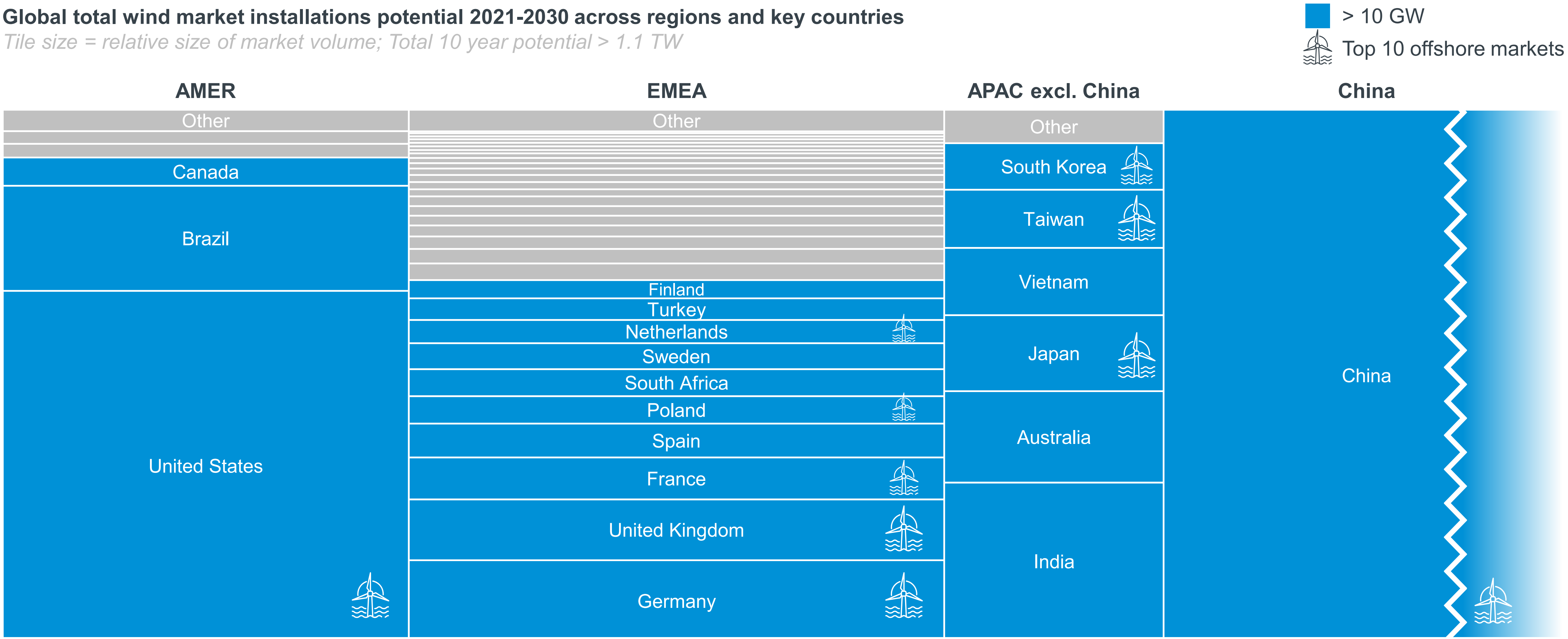
KEY MARKETS POISED TO DRIVE WIND POTENTIAL

Broad based contribution led by established markets

Global total wind market installations potential 2021-2030 across regions and key countries

Tile size = relative size of market volume; Total 10 year potential > 1.1 TW



Source: Vestas

Classification: Public

OUR AMBITION IS PROFITABLE LEADERSHIP ACROSS SEGMENTS

Driving customer centricity and commercial excellence to enable ambition

A **Partner of Choice**
Create superior value for customers & Vestas

B **Commercial Excellence**
Realign profitability across value chain

C **Onshore Leadership**
Expand global leadership position profitably

D **Offshore Leadership**
Create long-term sustainable business

CONTINUING AS PARTNER OF CHOICE

A

Global one-stop-shop for renewable energy projects and solutions

We are reshaping our customer approach to reinforce global partnerships…

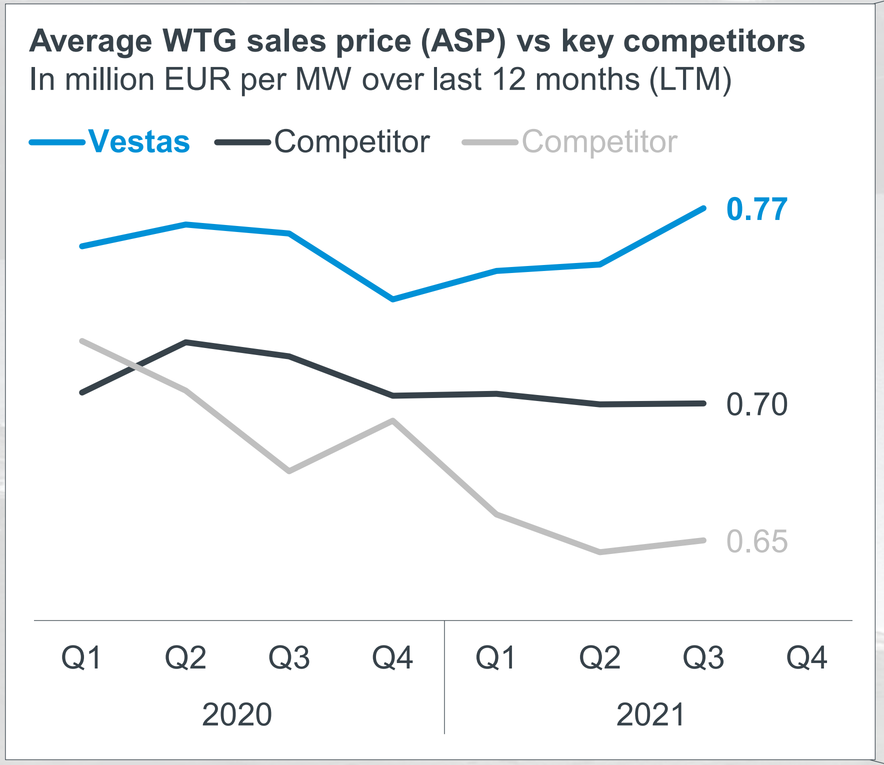
- Continued focus on optimising the business case of our existing customers
- Helping new customer segments as they are entering their sustainability journey, e.g. oil majors, C&I
- Innovating together: Leveraging Vestas' core capabilities to support customer journeys into new markets and segments, e.g. PtX

…moving from transactional approach to partnerships across the full value chain

CREATING VALUE FOR BOTH VESTAS AND CUSTOMERS

B

Employing commercial excellence to optimise business case potential



ENABLERS
for continued pricing leadership

INTELLIGENCE
Understanding broader market environment, supply/demand, commodities, competition etc.

VALUE ENGINEERING
Understanding customer business case and activate right value levers

INFORMED PRICING
Considering portfolio, capacity, geography, customer pipeline, project size & risk

AGILITY
Systems and processes to swiftly and easily leverage information across Sales

EARLY PERMITTING
Locking in projects early to capture value of Vestas' technology

Source: Company reports; Vestas

MOVING FROM COST OF ENERGY TO VALUE OF ENERGY

B

Maturing how we partner across the value chain to enable the renewable transition

Wind industry evolution
High level overview

	Early years Past	**Becoming mainstream** Today	**Technology of choice** Future
Description	Entrepreneurialism	Consolidation	• Industrialisation
Value paradigm	• Subsidies	• Levelised Cost of Energy	• Value of Energy
Selling approach	• Opportunistic	• Deal-to-deal	• **Global frameworks**

CONTINUED LEADERSHIP IN ONSHORE

C

Onshore continues as core segment with steady growth

Onshore leadership levers

Main levers

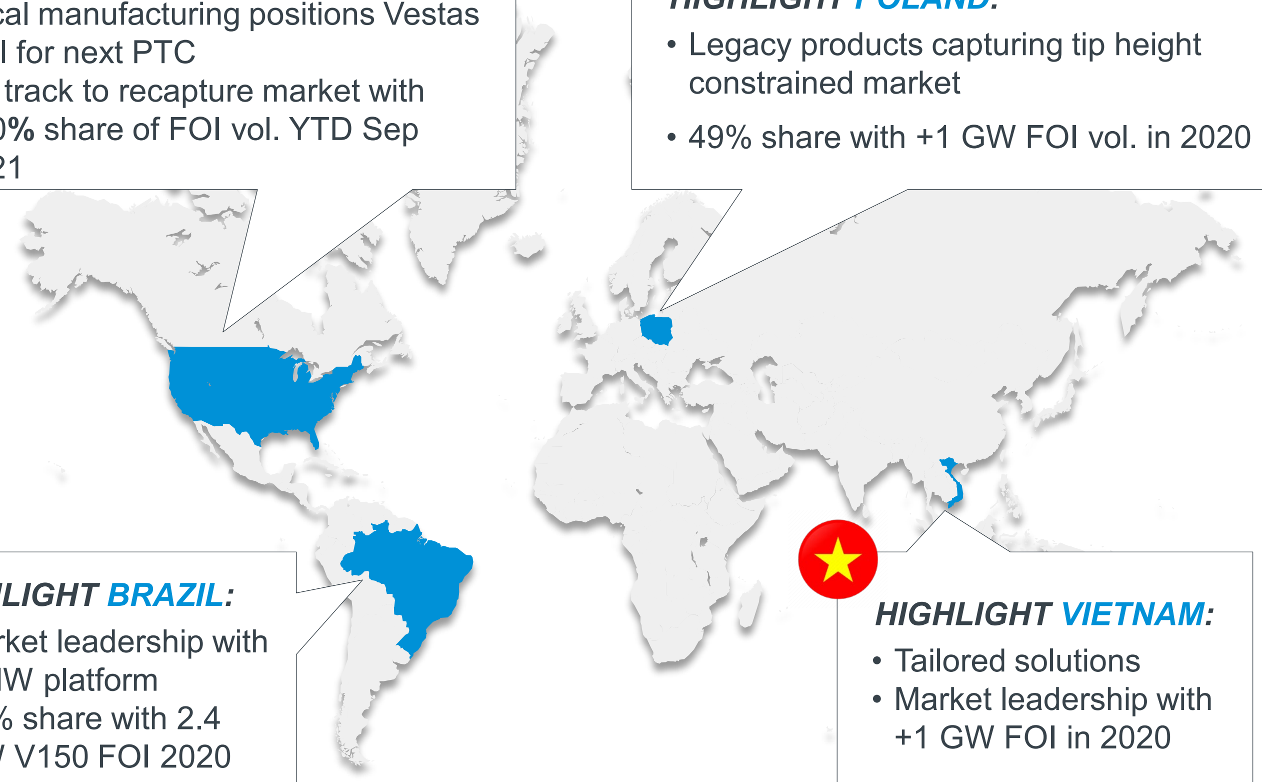
*Ability to optimise **modular solutions** for diverse customer needs*

*Ability to efficiently operate **global supply chains** at unparalleled scale*

*Being a **globally diversified partner** resistant to individual market volatility*

Leadership levers in action: Examples of how we drive leadership in specific markets

Non-exhaustive



HIGHLIGHT USA:

- Local manufacturing positions Vestas well for next PTC
- On track to recapture market with +40% share of FOI vol. YTD Sep 2021

HIGHLIGHT POLAND:

- Legacy products capturing tip height constrained market
- 49% share with +1 GW FOI vol. in 2020

HIGHLIGHT BRAZIL:

- Market leadership with 4 MW platform
- 42% share with 2.4 GW V150 FOI 2020

HIGHLIGHT VIETNAM:

- Tailored solutions
- Market leadership with +1 GW FOI in 2020

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CAPTURING OFFSHORE LEADERSHIP

D

Offshore to drive growth on medium to long term

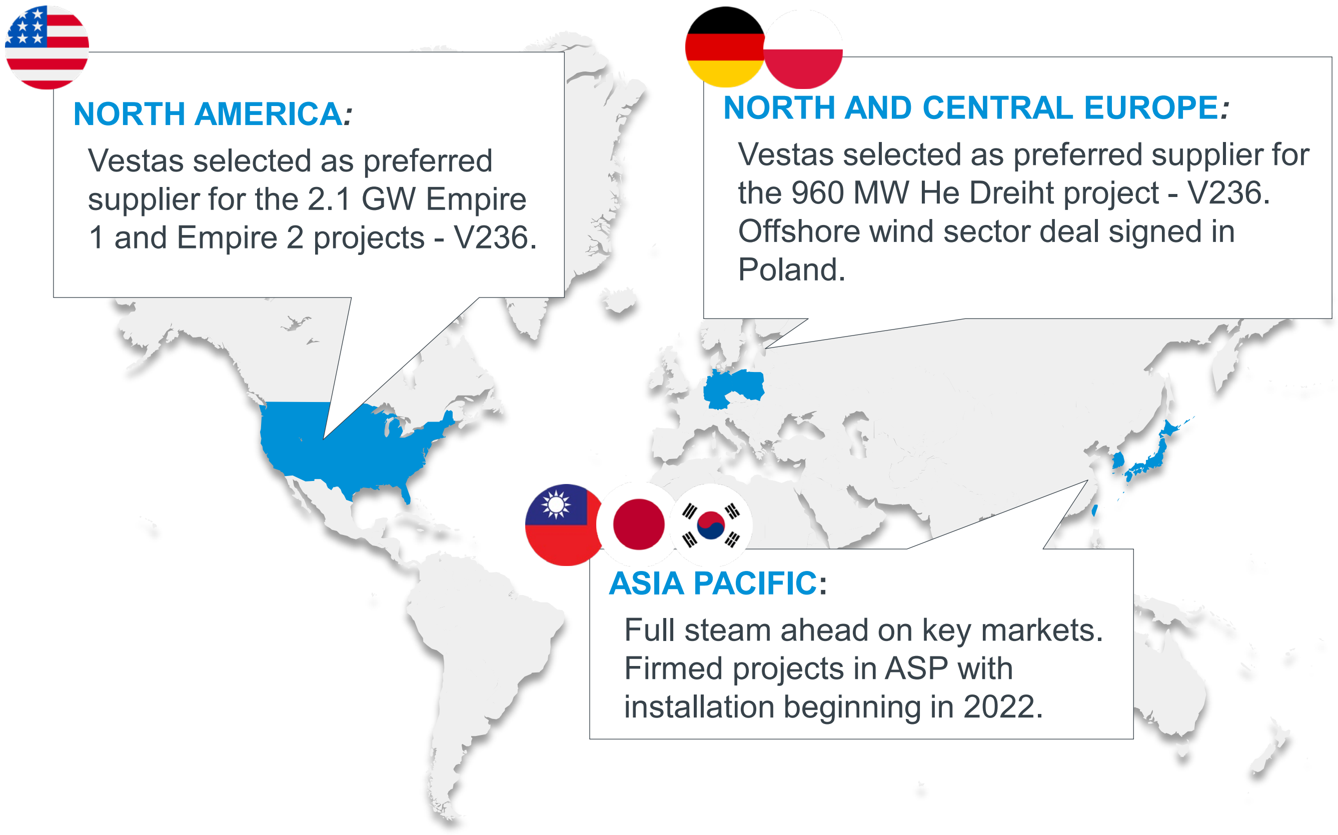
Offshore leadership levers
Main levers

Setting up right footprint & supply chain

Strengthening external partnerships

Market development & new segments

Offshore leadership levers in action
Examples of how we drive Vestas leadership in specific markets



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KEY TAKEAWAYS

ATTRACTIVE MARKET OUTLOOK

1

Short term market uncertainty followed by strong long-term growth with significant upsides

COMMON VALUE CREATION

2

Maturing how we partner across the value chain to create maximum value for Vestas and our customers

MARKET LEADERSHIP

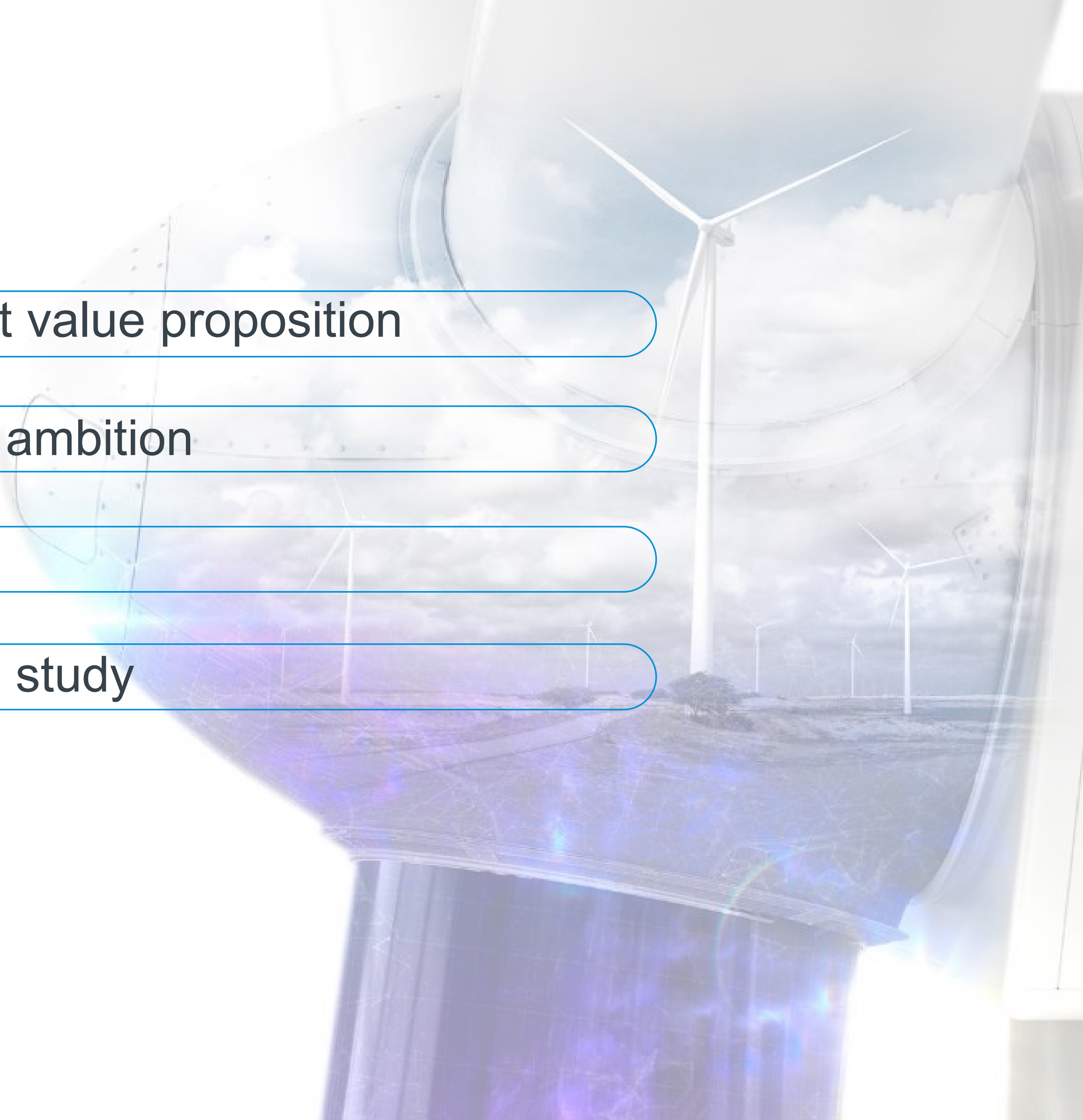
3

Securing steady growth through continued onshore leadership while building the foundation for future offshore leadership


Vestas®
Wind. It means the world to us.™
Unlocking renewable opportunities through development
Thomas Alsbjerg
Head of Global Development

AGENDA

1. Vestas' development value proposition
2. Track record and ambition
3. CIP acquisition
4. Development case study



RENEWABLES NOT BEING DEPLOYED QUICKLY ENOUGH

Shortage of high-quality projects to reach net zero by 2050

IBERDROLA

95 GW
By 2030

bp

50 GW
By 2030

TotalEnergies

100 GW
By 2030

Source: Company websites

Classification: Public

STRATEGIC RATIONALE FOR THE NEW BUSINESS UNIT

Creating value for partners and Vestas in a sizeable market

1
Market conditions and Vestas' competitiveness

Global **wind capacity** will continue growing
Following the ambitious decarbonisation targets

Vestas **capabilities and network** as enablers
Leveraging on existing competitive advantage

2
Adding value to customers and partners

Quality & **risk control** over the final product
Projects value engineered since inception

New solution added to Vestas offering
As a response to the market's demand for quality projects

3
Adding value to Vestas as a whole

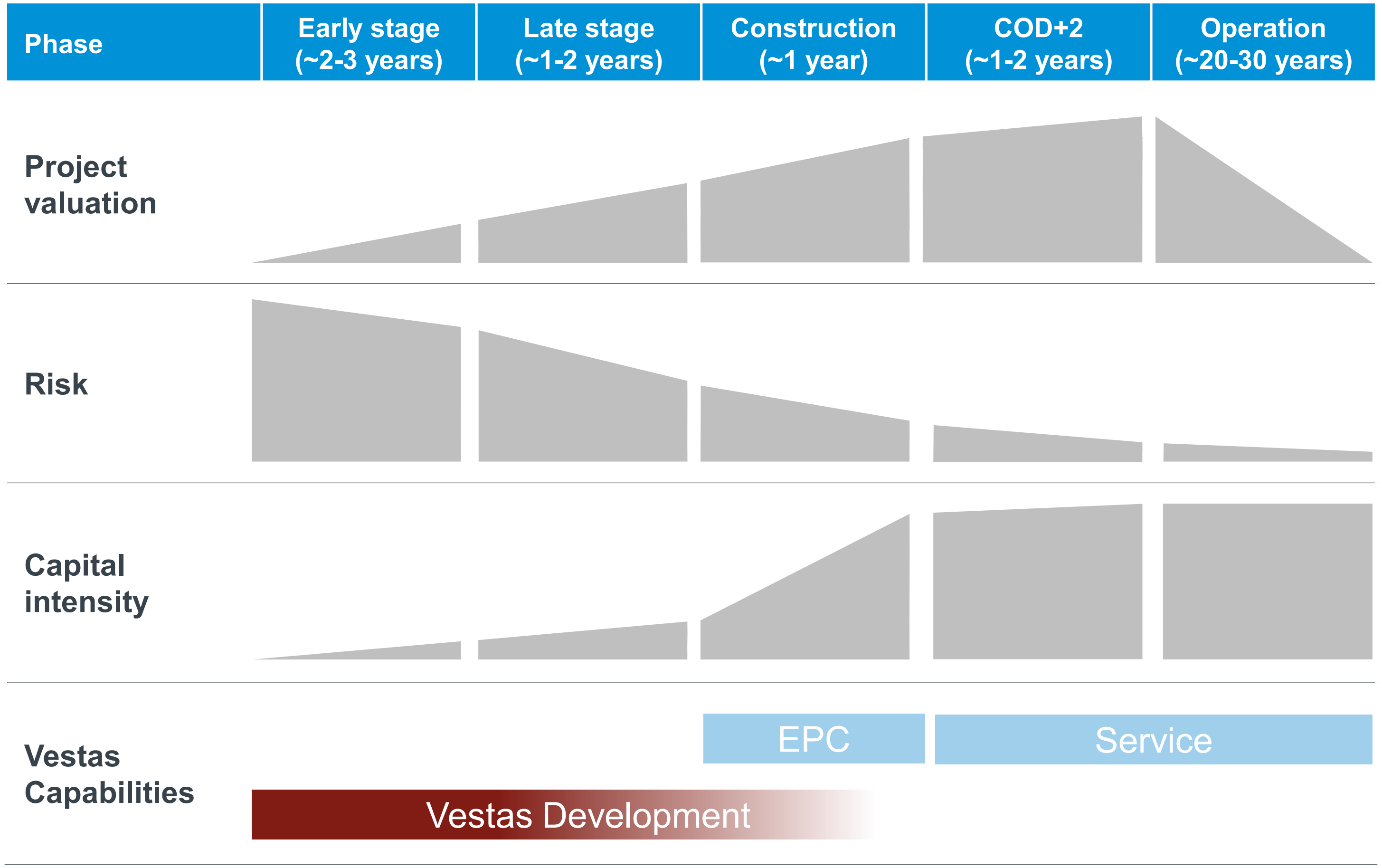
Provide **certainty** to the overall Vestas business
Bringing more visibility to pipeline and future orders

New Business area for Vestas
Creating an additional profitability unit

Source: Global wind power market outlook update - Q3 2021, September 2021, WoodMackenzie

CREATING VALUE IN THE INITIAL STAGES

Flexible project entry and exit to maximise value and accommodate partners’ needs



Note: Capital intensity refers to the cumulative DEVEX, CAPEX and O&M costs

- Project entry from **greenfield to late-stage**
- Building pipeline **both in-house and in partnerships**
- Retain **control** to manage risks
- Leverage on **Vestas’ strengths**
- **1-5 years of development** depending on maturity stage at project entry
- Typical **exit before construction** start
- **Vestas’ technology and O&M** contract included
- **Control of exit** strategy

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STRONG VALUE PROPOSITION WITH DEVELOPMENT

Technical capabilities, financial strength and global reach build competitive advantage

Technical expertise

- Extensive wind database
- +124 GW under operation
- Ongoing met mast campaigns
- Micro-siting expertise
- Grid capabilities
- Site optimisation for Vestas' technology

Financial strength

- Grid bonds
- Warranties
- Balance sheet to support acquisitions
- Financial solutions
- Establish offtake

Global reach

- Installations in more than 85 countries
- Access to pipeline worldwide
- Point of contact for global energy players
- Institutional relations

Note: Data as of Q3 2021

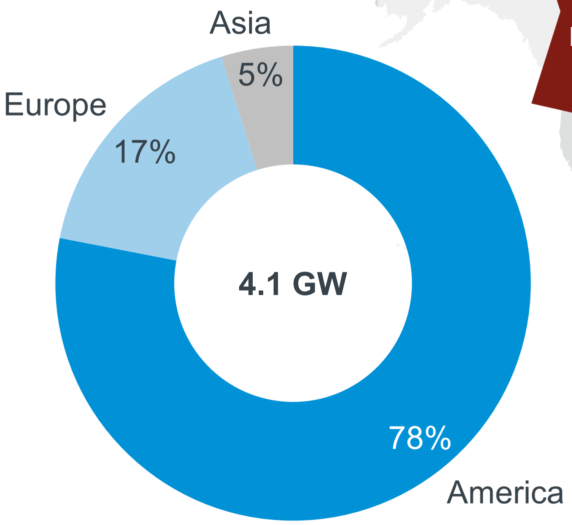
STRONG PERFORMANCE TO DATE, LARGE PIPELINE AHEAD

Strong pipeline of +130 projects with focus on activities within wind, solar, PtX, and hybrid solutions

FOI generated from development activities

In years 2018-2021

1.2 GW FOI
projects divested in 2021



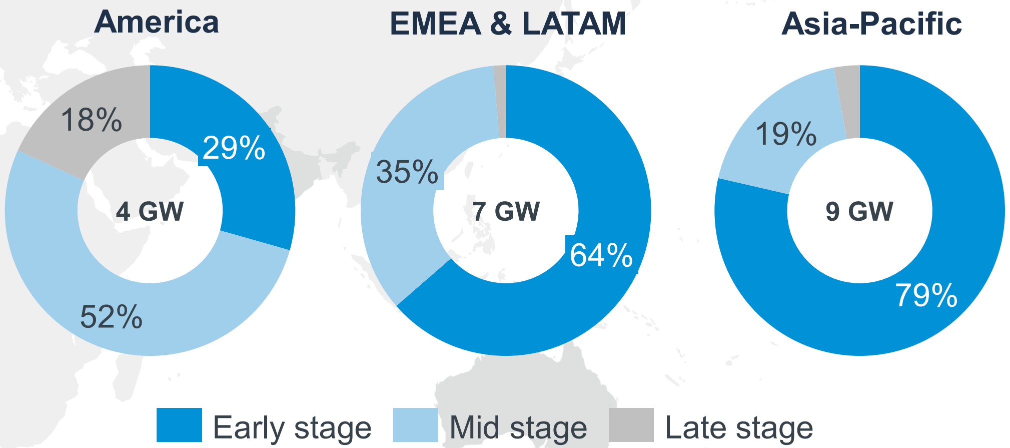
Development returns in range of 1-5x multiple in addition to Vestas' technology and O&M contracts

Data as of Q3 2021

Vestas Development Pipeline

At several stages of maturity with different risk levels associated

Wind Solar Hybrids Power-to-X



20 GW of pipeline currently

→ Targeting 30-40 GW

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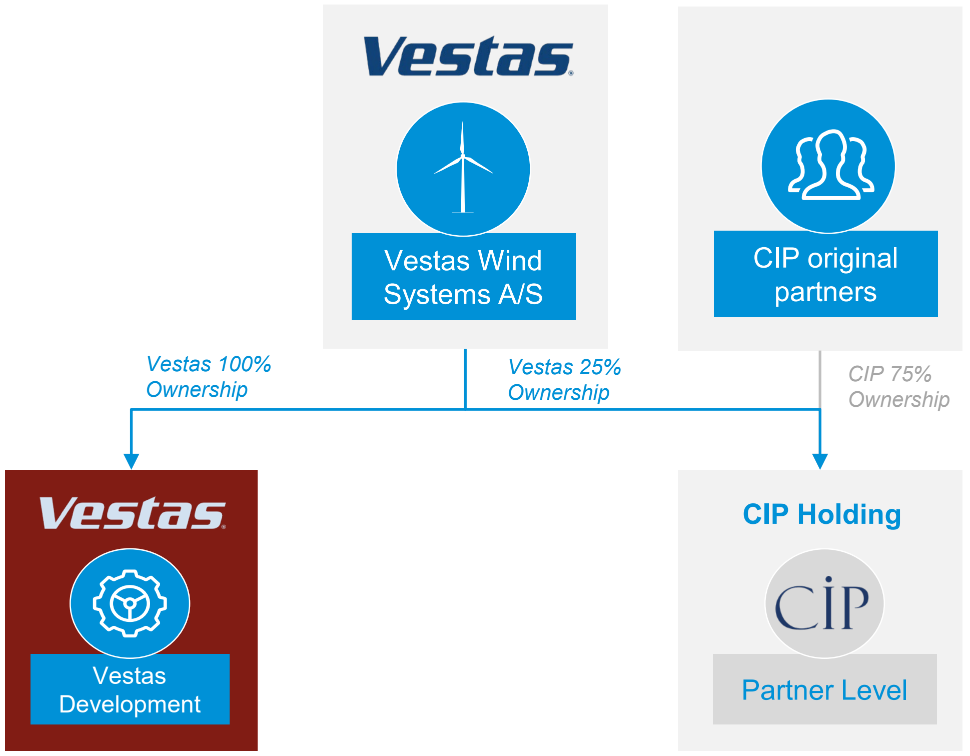
CIP ACQUISITION CREATING FURTHER OPPORTUNITIES

Accessing long term value of projects, exploration of technology segments and entering new markets

Overall structure of the acquisition



Possibilities unlocked for Vestas through CIP

- Take part of the value creation related to **ownership and asset management** of RE projects
- Have access to **value creation through gradual de-risking** during the construction phase
- Closer cooperation on identified **project co-developments** (e.g., new market entry)
- Exploration of **next generation energy decarbonising assets** (e.g., PtX)

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MULTIPLE SUCCESSFUL DIVESTMENT CASES IN 2021

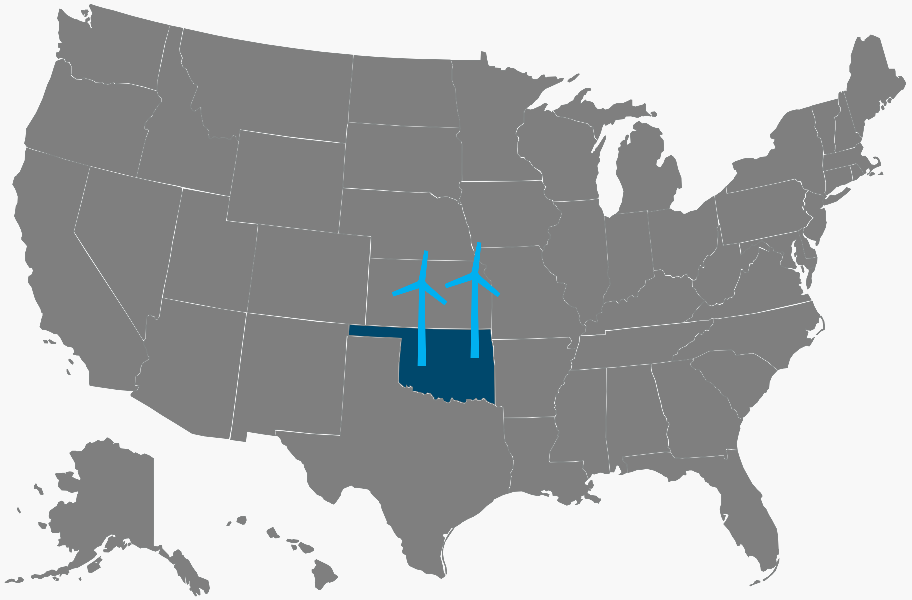
Case study: US Mile Creek project sold with FOI

Development deal

- 250 MW late-stage project, 60 x V150- 4.2 MW
- **Fully owned by Vestas** Development since 2019
- **Acquired as an early-stage** project, brought to NTP by the American Development team
- **Successful project exit** represents the growing in-house development expertise of the AME Development team: land, environmental, micro-siting, resource assessment, interconnection, BOP scoping and design.
- FOI: 2021 Q3, COD: 2022

Divestment of 25 Mile Creek

Securing FOI of 250 MW in August 2021



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Key takeaways

ENERGY TRANSITION

1

*Vestas Development will play an influential role in **progressing deployment** of renewable energy*

CAPABILITIES & TRACK RECORD

2

***Our capabilities and 4.1 GW track record** position Vestas to become a leading player in the industry*

VALUE CREATION

3

*The **20 GW pipeline** and future Development portfolio create **value both to Vestas' customers, partners and shareholders***

Q&A