

Vestas Manufacturing A/S

CVR no. 27 98 82 10
Hedeager 42, 8200 Aarhus N

Annual report for 2023

Adopted at the annual general meeting on 11 June 2024

chairman

DocuSigned by:

Mikkel Bach Jensen

Mikkel Bach Jensen

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Vestas Manufacturing A/S for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company at the annual general meeting.


Aarhus, 11 June 2024


Executive board


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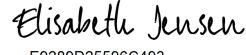
Anders Olof Nelsen
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Supervisory board

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Henrik Andersen
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chairman

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Lars Pryds Sørensen
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Thomas Gunnar Arendt
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Elisabeth Jensen
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Annie Pearce
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Independent Auditor's Report

To the shareholder of Vestas Manufacturing A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Vestas Manufacturing A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Aarhus, 11 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

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Thyge Belter

State Authorised Public Accountant
mne30222

DocuSigned by:



074ED2AE3D5C458...

Christine Tveteraas
State Authorised Public Accountant
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Company details

The company

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Hedeager 42
8200 Aarhus N

Telephone: +45 97 30 00 00

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Website: www.vestas.com

CVR no.: 27 98 82 10

Reporting period: 1 January - 31 December 2023

Domicile: Aarhus

Supervisory board

Henrik Andersen, chairman
Thomas Gunner Arendt
Anne Pearce
Lars Pryds Sørensen
Elisabeth Jensen

Executive board

Anders Olof Nielsen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
8000 Aarhus

Consolidated financial statements

The company is reflected in the group report of the parent company Vestas Wind Systems A/S, CVR-nr. 10 40 37 82

The group annual report of Vestas Wind Systems A/S, Aarhus, CVR nr. 10 40 37 82 can be obtained at the following address:

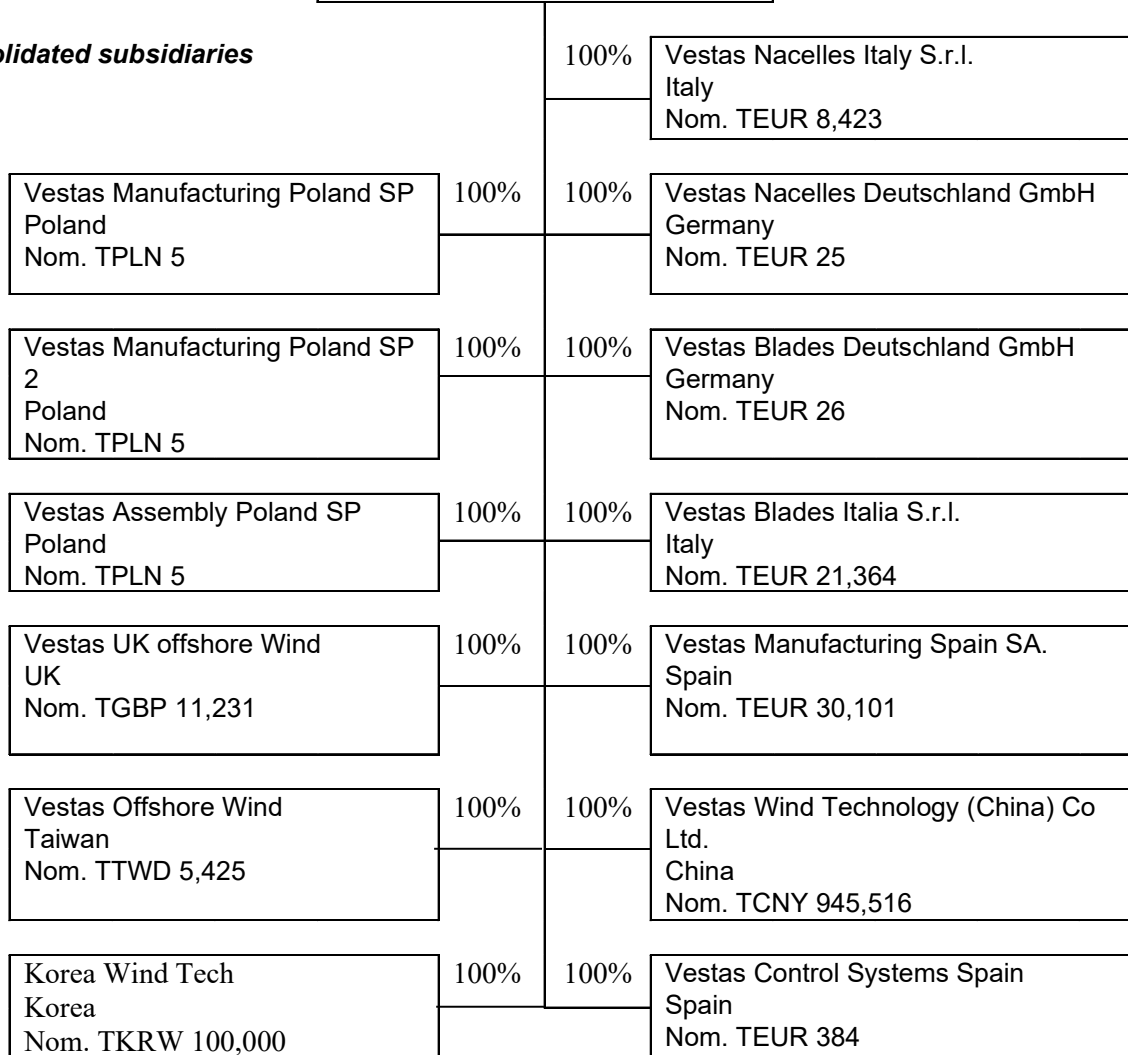
Vestas Wind Systems A/S
Hedeager 42
8200 Aarhus N

Group chart

Parent Company

Vestas Manufacturing A/S Denmark Nom. TDKK 100,000
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Consolidated subsidiaries



Financial highlights

Seen over a 5-year period, the development of the Company may be described by means of the following financial highlights:

	2023	2022	2021	2020	2019
	MDKK	MDKK	MDKK	MDKK	MDKK
Key figures					
Revenue	37,692	41,354	47,602	50,729	48,189
Net profit/loss for the year	136	-186	-116	155	61
Operating Profit	280	225	364	3	159
Net financials	-129	-233	-438	221	-77
Balance sheet total	19,056	20,939	24,833	19,492	15,753
Investment in property, plant and equipment	697	986	1,906	996	807
Equity	7,103	7,142	7,799	7,503	7,265
Number of employees	1,936	2,134	1,718	1,727	1,919
EBIT margin	0.7%	0.5%	0.8%	0.0%	0.3%
Return on assets	1.4%	1.0%	1.6%	0.0%	1.0%
Solvency ratio	37.3%	34.1%	31.4%	38.5%	46.1%
Return on equity	1.9%	-2.5%	-1.5%	2.1%	0.1%
Target figures for the underrepresented gender					
Board of Directors					
Total number of members	3				
Percentage of underrepresented gender	33				
Other management levels					
Total number of members	4				
Percentage of underrepresented gender	0				
Target figure in percentage	25				
Year of fulfillment of target figure	2025				

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Where the accounting policies have been changed, the comparatives for 2019 onwards have been restated. For an account of changes in accounting policies, see the summary of significant accounting policies.

Management's review

Business review

The company's principal activity consist of production and sale of main components for wind turbines. Sales are mainly made to companies within the Vestas Group.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not associated with any uncertainty.

Unusual matters

The company's financial position at 31 December 2023 and the results of its operations for the financial year ended 31 December 2023 are not affected by any unusual matters.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of TDKK 135,842, and the balance sheet at 31 December 2023 shows equity of TDKK 7,103,488.

Operating profit for the year is considered satisfactory compared to expected.

Expected development of the company, including specific prerequisites and uncertainties

The company expects slightly higher activity level for 2024 compared with 2023 in light of the Vestas Group's growth ambitions, however Operating profit is expected to be in line 2023 given the continued volatility in current market conditions (i.e. supply chain instability, high degree of cost inflation) and projections. It should be emphasized that the global supply chain uncertainty persists in 2024, and the outlook seeks to take into account the current situation and constraints. Vestas Manufacturing A/S continues to focus on its priorities for the year, which will enable delivering on the company's commitments.

The company's knowledge resources is of particular importance to its future earnings

As part of the Vestas Group, knowledge resources are significant for the company. Processors have been

appointed for the company's core processes, which continuously work with mapping and streamlining workflows to ensure continuity and person-dependence in all processes.

Special risks apart from generally occurring risks in industry

Refer to the Group annual report where the special risks and financial risks within the Vestas Group are stated.

Research and development activities in or for the company

The company has minor development activities which are re-invoiced to the rightful owner.

Management's review

Statutory corporate social responsibility report

With reference to the Danish Financial Statements Act § 99a, subsection 6 gives information on social responsibility, including respect for human rights, social conditions, environmental and climatic conditions and the fight against corruption in the annual report of the parent company Vestas Wind Systems A/S CVR-nr. : 10 40 37 82.

<https://www.vestas.com/en/investor/reports-and-presentations/vestas-reporting>

Policies on the underrepresented gender

The overall Diversity & Inclusion policy in Vestas, including increasing the gender balance in leadership positions, applies to all employees, functions, units of Vestas and regulated subsidiaries, including Vestas Manufacturing A/S. Strengthening diversity remains a strategic priority for Vestas, as we know that our differences make us better equipped to address the challenges that lie ahead.

We are aware that gender is only one dimension of diversity. Broadening the agenda, to elucidate our commitment to diversity in all its different facets, has in the financial year 2023 presented itself as activities designed to achieve greater inclusion within diversity categories, including but not limited to implementing measures to promote pay equity, improving our ability to recruit female talent, and introducing a mandatory Inclusive Leadership programme.

Board of Directors

Status of achievement of target figure of underrepresented gender

Vestas Manufacturing A/S's shareholders have elected one female and two male board members, achieving equal distribution as defined by the Danish Business Authorities.

The target figures for the underrepresented gender is also reflected under the Financial Highlights on page 8 of the annual report.

Other management levels

Information on equal distribution of women and men

In the financial year 2023, a target of 25/75 gender distribution in other management levels to be reached no later than 2025 has been set. The long-term goal continues to be increasing the number of female managers across all levels.

The gender distribution at other management levels in Vestas Manufacturing A/S remains challenged by the apparent gender skewedness consistent with the underrepresentation in the broader science, technology, engineering, and mathematics (STEM) industries and educations.

The target figures for the underrepresented gender is also reflected under the Financial Highlights on page 8 of the annual report.

Management's review

Data ethics report

The overall objective of our Data Ethics Policy is to encourage and motivate all employees of the Vestas Group to handle data with utmost care and respect and to adhere to a responsible and sustainable use of data by following our guiding principles on data ethics. As a global company we align with universal principles on fundamental rights. Through ethical use of our smart data capabilities and groundbreaking new technologies our aim is to achieve our long-term business objectives and extend our position as the energy industry's leading global partner on sustainable energy. We report on this in accordance with Section 99d of the Danish Financial Statements Act.

Accounting policies

The annual report of Vestas Manufacturing A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

The annual report for 2023 is presented in TDKK. The accounting policies applied remain unchanged from last year.

Pursuant to section § 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Pursuant to section § 86 subsection 4, of the Danish Financial Statements Act, the company has not prepared the Cash Flow statement.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Hedge accounting

Fair value adjustments of financial instruments that are designated and qualify as fair value hedges of recognised assets or liabilities are recognised in the income statement together with any fair value adjustments of the hedged asset or liability that can be attributed to the hedged risk.

Changes in the fair value of financial instruments that are designated and qualify as hedges of expected future transactions are recognised in equity under retained earnings as regards the effective portion of the hedge. The ineffective portion of the hedge is recognised in the income statement. If the hedged transaction results in an asset or a liability, amounts deferred under equity are transferred to the cost of the asset or liability. If the hedged transaction results in income or expenses, amounts deferred under equity are transferred to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair value of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries, participating interests or associates are recognised directly in equity as regards the effective portion of the hedge, while the ineffective portion is recognised in the income statement.

Income statement

Revenue

Revenue comprises sold and delivered main components for wind turbines and is recognised in the income statement according to IFRS 15 when:

- delivered and the control of the components has been transferred to the buyer prior to the year end,
- the income can be measured reliable and
- payment has been received or is expected to be received.

Cost of productions

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as labour, rent, leasing and depreciation on production equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Intangible assets

Goodwill

Goodwill is amortized on a straight-line basis over the estimated economic useful life of 20 years, which is determined on the basis of the management's experience within the individual business areas.

The carrying amount of goodwill has been allocated to Vestas' operating segments. Identification of operating segment is based on management structure and internal financial reporting.

The carrying amount of goodwill is tested at least annually for impairment, together with the other non-current assets of the operating segment to which goodwill has been allocated. If the recoverable amount is lower than the carrying amount of the operating segment, goodwill is written down to its lower recoverable amount in the income statement.

The recoverable amount is usually calculated as the net present value of expected future net cash flows from the operating segments to which the goodwill has been allocated.

Alternatively, the recoverable amount is calculated as fair value less costs to sell. Impairment losses on goodwill are recognised in the income statement, either in production costs, research and development costs, distribution costs or administration costs.

Impairment losses on goodwill are not reversed.

Software

Acquired software licences and internally developed software is measured at a cost less accumulated amortisation and impairment losses. Cost includes both direct internal and external costs. Software is amortised on a straight-line basis over three to five years. The basis of amortisation is calculated net of any impairment losses.

Tangible assets

Items of land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Accounting policies

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Buildings	25 - 40 years
Plant and machinery	3 - 10 years
Other fixtures and fittings, tools and equipment	3 - 5 years
Right of use of assets	2 -20 years

Assets costing less than DKK 32,000 are expensed in the year of acquisition.

Depreciation is recognised in the income statement under production costs, distribution costs and administrative expenses, respectively.

Leases

Right-of-use assets and corresponding lease liabilities are recognised at the lease commencement date, except leases below 12 month and leases less than DKK 30,000. These leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred. The right-of use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The right-ofuse assets are from the commencement date depreciated over the shorter period of lease term and useful life of the underlying asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted in accordance with lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined an incremental borrowing rate.

Accounting policies

Lease payments included in the measurement of the lease liabilities comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase option if it is reasonably certain that the option will be exercised; and
- amounts expected to be payable under residual value guarantees.

The lease liabilities are subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimate of the amount expected to be payable under a residual value guarantee, or if the assessment of whether an option will be exercised is changed. When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Investments in subsidiaries, associates and participating interests

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Inventory

Inventory are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

Accounting policies

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

The net realisable value of inventory is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Provisions

Provisions comprise expected expenses relating to warranty commitments, losses on work in progress, restructuring, etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Income tax and deferred tax

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Prepayments from customers

Prepayments from customers are recognised as liabilities. Prepayments from customers recognised as liabilities are measured at cost and comprise prepayments received from wind power plants ordered but not yet delivered.

Accounting policies

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables to group companies' or 'Other payables to group companies', respectively.

Financial Highlights

Definitions of financial ratios.

EBIT margin	$\frac{\text{Profit/loss before financials} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$
Return on equity	$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$

Income statement 1 January 2023 - 31 December 2023

	Note	2023 TDKK	2022 TDKK
Revenue	1	37,691,904	41,353,668
Cost of productions		-37,412,301	-41,128,646
Gross profit		279,603	225,022
Profit/loss before financial income and expenses		279,603	225,022
Profit/loss from investments in subsidiaries	3	-4,040	-265,977
Financial income	4	647,942	647,191
Financial costs	5	-772,636	-613,912
Profit/loss before tax		150,869	-7,676
Tax on profit/loss for the year	6	-15,027	-178,871
Net profit/loss for the year		135,842	-186,547
Distribution of profit/loss	7		

Balance sheet at 31 December 2023

	Note	2023 TDKK	2022 TDKK
Assets			
Software		0	1,116
Goodwill		0	40,576
Intangible assets	8	0	41,692
Land and buildings		57,744	160,382
Plant and machinery		108,471	244,283
Other fixtures and fittings, tools and equipment		1,062,693	1,314,006
Right-of-use assets		122,675	205,295
Property, plant and equipment in progress		718,221	502,007
Tangible assets	9	2,069,804	2,425,973
Investments in subsidiaries	10	1,418,199	1,420,924
Other receivables		96,720	0
Fixed asset investments		1,514,919	1,420,924
Total non-current assets		3,584,723	3,888,589
Raw materials and consumables		1,586,663	2,199,984
Work in progress		284,709	80,577
Finished Goods		11,082,747	9,325,767
Inventory	11	12,954,119	11,606,328
Trade receivables		189,433	61,948
Receivables from group companies		1,207,212	4,527,682
Other receivables		720,842	595,001
Deferred tax asset	12	150,712	233,766
Prepayments		186,120	25,466
Receivables		2,454,319	5,443,863
Cash at bank and in hand		62,770	0
Total current assets		15,471,208	17,050,191
Total assets		19,055,931	20,938,780

Balance sheet at 31 December 2023

	Note	2023 TDKK	2022 TDKK
Equity and liabilities			
Share capital		100,000	100,000
Retained earnings		7,100,170	6,964,328
Cash flow hedging reserve		-96,682	77,621
Equity	13	<u>7,103,488</u>	<u>7,141,949</u>
Lease obligations		81,927	143,557
Total non-current liabilities	14	<u>81,927</u>	<u>143,557</u>
Lease obligation	14	35,801	60,226
Prepayments from customers		451,522	1,551,334
Trade payables		5,645,299	6,788,723
Payables to group companies		5,182,250	4,650,467
Joint taxation contributions payable		317,240	483,285
Other payables		238,404	119,239
Total current liabilities		<u>11,870,516</u>	<u>13,653,274</u>
Total liabilities		<u>11,952,443</u>	<u>13,796,831</u>
Total equity and liabilities		<u><u>19,055,931</u></u>	<u><u>20,938,780</u></u>
Staff	2		
Letter of support from Parent Company	15		
Subsequent events	16		
Contingent liabilities	17		
Financial instruments	18		
Related parties and ownership structure	19		

Statement of changes in equity

	Share capital	Retained earnings	Cash flow hedging reserve	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January 2023	100,000	6,964,328	77,621	7,141,949
Revaluation for the year	0	0	-293,016	-293,016
Dissolution of previous years' revaluation	0	0	69,551	69,551
Net profit/loss for the year	0	135,842	0	135,842
Changes in equity of tax	0	0	49,162	49,162
Equity at 31 December 2023	100,000	7,100,170	-96,682	7,103,488

Notes

	<u>2023</u> TDKK	<u>2022</u> TDKK
1 Revenue		
Nordic countries	5,257,529	10,072,288
Europe other	16,301,747	16,028,778
World other	16,132,628	15,252,602
Total revenue	<u>37,691,904</u>	<u>41,353,668</u>
Power Solutions	37,691,904	41,353,668
Total revenue	<u>37,691,904</u>	<u>41,353,668</u>
2 Staff		
Wages and Salaries	967,660	1,134,374
Pensions	109,064	106,034
Other social security expenses	8,055	7,358
	<u>1,084,779</u>	<u>1,247,766</u>
Wages and Salaries, pensions and other social security expenses are recognised in the following items:		
Cost of sales	1,084,779	1,247,766
	<u>1,084,779</u>	<u>1,247,766</u>
Remuneration to the Executive Board and the Supervisory Board		
Salaries and other remuneration	7,983	5,206
	<u>7,983</u>	<u>5,206</u>
Executive Board consists of one member. Therefore, remuneration of the Executive Board and the Supervisory Board is disclosed collectively with reference to section 98b paragraph 3 of the Danish Financial Statements Act.		
Number of fulltime employees on average	1,936	2,134

Notes

	2023 <small>TDKK</small>	2022 <small>TDKK</small>
3 Profit/loss from investments in subsidiaries		
Impairment for the year	-3,500	-265,977
Disposals for the year	-265,215	0
Reversal of prior year impairment	264,675	0
	-4,040	-265,977
4 Financial income		
Interest received from group companies	167,700	161,949
Other financial income	48	0
Exchange adjustments	480,194	485,242
	647,942	647,191
5 Financial costs		
Interest paid to group companies	264,619	95,220
Other financial costs	10,953	5,843
Exchange adjustments	497,064	512,849
	772,636	613,912
6 Tax on profit/loss for the year		
Current tax for the year	54,225	258,318
Deferred tax for the year	-24,652	-193,764
Adjustment of tax concerning previous years	-173,361	137,294
Adjustment of deferred tax concerning previous years	156,867	-22,999
Other taxes	1,948	22
	15,027	178,871
7 Distribution of profit/loss		
Retained earnings	135,842	-186,547
	135,842	-186,547

Notes

8 Intangible assets

	<u>Software</u>	<u>Goodwill</u>
	<small>TDKK</small>	<small>TDKK</small>
Cost at 1 January 2023	<u>2,077</u>	<u>817,428</u>
Cost at 31 December 2023	<u>2,077</u>	<u>817,428</u>
Impairment losses and amortisation at 1 January 2023	961	776,852
Impairment losses for the year	813	0
Depreciation for the year	<u>303</u>	<u>40,576</u>
Impairment losses and amortisation at 31 December 2023	<u>2,077</u>	<u>817,428</u>
Carrying amount at 31 December 2023	<u><u>0</u></u>	<u><u>0</u></u>
Depreciated over	<u>5 years</u>	<u>20 years</u>

Notes

9 Tangible assets

	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Right-of-use assets	Property, plant and equipment in progress
	TDKK	TDKK	TDKK	TDKK	TDKK
Cost at 1 January 2023	482,326	1,215,453	3,073,579	422,526	502,007
Additions for the year	671	281	11,671	56,054	628,184
Disposals for the year	-296,984	-411,830	-198,353	-89,715	0
Transfers for the year	20,786	102,210	409,239	0	-411,970
Cost at 31 December 2023	206,799	906,114	3,296,136	388,865	718,221
Impairment losses and depreciation at 1 January 2023	321,944	971,170	1,759,573	217,231	0
Impairment losses for the year	1,654	13,431	1,305	0	0
Depreciation for the year	3,531	75,060	619,534	78,836	0
Reversal of impairment and depreciation of sold assets	-177,770	-323,290	-172,978	-29,877	0
Transfers for the year	-304	61,272	26,009	0	0
Impairment losses and depreciation at 31 December 2023	149,055	797,643	2,233,443	266,190	0
Carrying amount at 31 December 2023	57,744	108,471	1,062,693	122,675	718,221
Depreciated over	25-40 years	3-10 years	3-5 years	2-20 years	
Value of leased assets	95,273	0	27,401	0	0

10 Investments in subsidiaries

	2023 TDKK	2022 TDKK
Cost at 1 January 2023	2,124,963	2,025,021
Additions for the year	1,315	99,942
Disposals for the year	-264,675	0
Cost at 31 December 2023	1,861,603	2,124,963
Revaluations at 1 January 2023	-704,039	-438,062
Reversal of Impairment for the year	264,675	0
Impairment for the year	-4,040	-265,977
Revaluations at 31 December 2023	-443,404	-704,039
Carrying amount at 31 December 2023	1,418,199	1,420,924

Notes

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Vestas Nacelles Deutschland GmbH	Germany	100%	20,174	-2,085
Vestas Blades Deutschland GmbH	Germany	100%	78,165	1,610
Vestas Blades Italia S.r.l.	Italy	100%	38,683	2,618
Vestas Manufacturing Spain S.L.	Spain	100%	107,331	77,776
Vestas Wind Technology (China) Co Ltd.	China	100%	5,628,364	567,806
Vestas Control Systems Spain S.L.	Spain	100%	376	-5
Vestas Manufacturing Poland SP	Poland	100%	0	0
Vestas UK Offshore Wind Blades UK	UK	100%	28,721	3,983
Vestas Assembly Poland SP	Poland	100%	5,000	0
Vestas Manufacturing Poland SP 2	Poland	100%	5,000	0
Vestas Nacelles Italy S.r.l. Italy	Italy	100%	0	0
Offshore Wind Taiwan	Taiwan	100%	12,246	-602
Korea Wind Tech	Korea	100%	0	0

	2023 TDKK	2022 TDKK
11 Inventory		
Raw materials and consumables	1,586,663	2,199,984
Work in progress	284,709	80,577
Finished Goods	11,082,747	9,325,767
	<u>12,954,119</u>	<u>11,606,328</u>

Notes

	2023 TDKK	2022 TDKK
12 Provision for deferred tax		
Provision for deferred tax at 1 January 2023	-233,766	115,694
Deferred tax recognised in income statement	132,217	-216,763
Deferred tax recognised in equity	-49,163	-132,697
Provision for deferred tax at 31 December 2023	-150,712	-233,766
Provisions for deferred tax on:		
Intangible assets	0	245
Property, plant and equipment	-159,027	-239,717
Inventories	12,943	28,645
Provisions	22,641	-44,832
Hedging on equity	-27,269	21,893
Transferred to deferred tax asset	150,712	233,766
	0	0
Deferred tax asset		
Calculated tax asset	150,712	233,766
Carrying amount	150,712	233,766
13 Equity		
The share capital consists of 1,000,000 shares of a nominal value of DKK 100. No shares carry any special rights.		
14 Lease obligations		
Between 1 and 5 years	81,927	143,557
Non-current portion	81,927	143,557
Within 1 year	35,801	60,226
	117,728	203,783
15 Letter of support from Parent Company		
The company has received a commitment of financial support from the parent company.		

Notes

16 Subsequent events

No events have occurred after the balance sheet date which could significantly affect the company's position.

17 Contingent liabilities

The company is included in the joint taxation with the Groups other Danish companies and severally liable for tax on consolidated taxable income etc.

18 Financial instruments

The company has entered into derivatives with Vestas Wind Systems A/S in the form of FX forward contracts.

The fair value of the derivatives amounts to:

	Gains and losses recognised in equity	
	2023	2022
<u>TDKK</u>		
Assets	282,092	549,444
Liabilities	384,602	436,110
	<u>-102,510</u>	<u>113,334</u>

Net amount recognized as payables to group companies

The FX forward contracts are entered into to hedge future purchases of goods and sales. The Company's net position are specified below. The derivatives matures in the period 2024 to 2029.

Positions in foreign currency

BRL: - 906,914
CAD: -272,038
CNY: 6,436,783
USD: -1,410,846
INR: 29,834,177
GBP: 47,738
PLN: 183,043

19 Related parties and ownership structure

Transactions

All transactions with related parties has been carried out at arm's length principle.

Notes

19 Related parties and ownership structure (continued)

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Vestas Wind System A/S, Hedeager 42, 8200 Aarhus N