

Vestas Central Europe A/S

CVR no. 28 11 82 36
Hedeager 42, 8200 Aarhus N

Annual report for 2022

Adopted at the annual general meeting on 31 May 2023

Chairman

DocuSigned by:

Mikkel Bach Jensen

C8219707DF814A8

Mikkel Bach Jensen

Table of contents

	Page
Statements	
Statement by management on the annual report	2
Independent Auditor's Report	3
Management's review	
Company details	6
Group chart	7
Management's review	8
Financial statements	
Accounting policies	9
Income statement 1 January 2022 - 31 December 2022	13
Balance sheet at 31 December 2022	14
Statement of changes in equity	16
Notes	17

Statement by management on the annual report

The supervisory board and executive board have today considered and adopted the annual report of Vestas Central Europe A/S for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the company's operations for the financial period 1 January - 31 December 2022.

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

We recommend that the Annual Report be adopted at the Annual General Meeting.


Aarhus, 31 May 2023

Executive board

DocuSigned by:


C883FABB75E410
Javier Rodríguez Diez


Supervisory board

DocuSigned by:

A927DCC50644B...
Henrik Andersen
Chairman

DocuSigned by:

84F519331976404
Kerstin Mariella Knapp

DocuSigned by:

E5C7182F9AAE439
Thomas Gunnar Arendt

DocuSigned by:

C883FABB75E410
Javier Rodríguez Diez

Independent Auditor's Report

To the shareholder of Vestas Central Europe 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 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Vestas Central Europe A/S for the financial year 1 January - 31 December 2022, 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, we conclude that 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.

Hellerup, 31 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

DocuSigned by:

Rune Kjeldsen
State Authorised Public Accountant
mne34160

DocuSigned by:

Jasmin Serrano
State Authorised Public Accountant
mne47222

Company details

The company

Vestas Central Europe A/S
Hedeager 42
8200 Aarhus N

Telephone: +45 97 30 00 00

Fax: +45 97 30 00 01

Website: www.vestas.com

CVR no.: 28 11 82 36

Reporting period: 1 January - 31 December 2022

Domicile: Aarhus

Supervisory board

Henrik Andersen, chairman
Thomas Gunner Arendt
Javier Rodriguez Diez
Kerstin Mariella Knapp

Executive board

Javier Rodriguez Diez

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Consolidated financial statements

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

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

Vestas Wind Systems A/S
Hedeager 42
DK-8200 Aarhus N

Group chart

Parent Company			Vestas Central Europe A/S, Denmark Nom. tDKK 60,000
Vestas Kazakhstan LLP, Kazakhstan Nom. tKZT 78	100%	100%	Vestas Deutschland GmbH, Germany Nom. tEUR 20,530
LLC Vestas RUS, Russia Nom. tRUB 4,333	100%	100%	Vestas Service GmbH, Germany Nom. tEUR 25
Vestas Ukraine OOO, Ukraine Nom. tUAH 1,598	99%	100%	Vestas Benelux B.V., The Netherlands Nom. tEUR 13,032
Vestas Eastern Africa Ltd., Kenya Nom. tKHS 100	99,9%	100%	Vestas Österreich GmbH, Austria Nom. tEUR 7,035
Vestas Southern Africa Pty., South Africa Nom. tZAR 1	80%	100%	Vestas Czechia s.r.o., Czech Republic Nom. tCZK 200
Vestas Central Europe d.o.o., Serbia Nom. tRSD 11,400	100%	100%	Vestas Hungary Kft., Hungary Nom. tHUF 3,000
Vestas Spare Parts Belgium SA, Belgium Nom. tEUR 22,513	100%	100%	Vestas Bulgaria EOOD, Bulgaria Nom. tBGN 5
Vestas Switzerland AG, Switzerland Nom. tCHF 100	100%	100%	Vestas CEU Romania S.R.L., Romania Nom. tRON 570
Vestas Georgia LLC, Georgia Nom. tGEL 68	100%	100%	Vestas Slovakia spol S.R.O., Slovakia Nom. tEUR 5
Vestas Bosnia Herzegovina d.o.o., Bosnia Nom. tBAM 59	100%	100%	Vestas CEU Zagreb d.o.o., Croatia Nom. tHRK 20
WPT Nord GmbH, Germany Nom. tEUR 26	100%	100%	Vestas Latvia SIA, Latvia Nom. tEUR 3
Vestas Estonia OÜ, Estonia Nom. tEUR 2,500	100%	100%	Vestas Lithuania UAB, Lithuania Nom. tEUR 3

Management's review

Business review

The company's principal activity is shares held in the Vestas Group's sales and service units in Europe, Kenya and South Africa.

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 on 31 December 2022 and the results of its operations for the financial year ended 31 December 2022 are impacted by Russia's invasion of Ukraine in February 2022. This has led Vestas to withdraw from the Russian market and an impairment of the investment in LLC Vestas RUS.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of TDKK 24,078, and the balance sheet at 31 December 2022 shows equity of TDKK 1,112,986.

Accounting policies

The annual report of Vestas Central Europe A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The annual report for 2022 is presented in TDKK.

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

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.

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.

Accounting policies

Income statement

Cost of productions

Cost of productions comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables.

Administrative costs

Administrative expenses comprise expenses incurred in the year related to management, administrative staff, office premises, office expenses, depreciation, etc.

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.

Result 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.

Balance sheet

Investments in subsidiaries

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

Inventory

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

Accounting policies

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.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

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 liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable 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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

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.

Income statement 1 January 2022 - 31 December 2022

	Note	2022 TDKK	2021 TDKK
Revenue		0	0
Cost of productions		-3,238	-15,639
Gross profit		-3,238	-15,639
Administrative costs		4,150	5,735
Operating profit/loss		912	-9,904
Profit/loss before financial income and expenses		912	-9,904
Result from investments in subsidiaries	1	-24,251	65,830
Financial income	2	537	10,642
Financial costs	3	-1,346	-685
Profit/loss from ordinary activities before tax		-24,148	65,883
Profit/loss before tax		-24,148	65,883
Tax on profit/loss for the year	4	70	-942
Net profit/loss for the year		-24,078	64,941
Distribution of profit	5		

Balance sheet at 31 December 2022

	Note	2022 TDKK	2021 TDKK
Assets			
Investments in subsidiaries	6	1,405,752	1,429,984
Fixed asset investments		1,405,752	1,429,984
Total non-current assets		1,405,752	1,429,984
Inventory		12	2,685
Inventory		12	2,685
Trade receivables		9	247
Receivables from group companies		5,023	164,517
Deferred tax asset	8	1,611	1,450
Receivables		6,643	166,214
Cash at bank and in hand		408	315
Total current assets		7,063	169,214
Total assets		1,412,815	1,599,198

Balance sheet at 31 December 2022

	Note	2022 TDKK	2021 TDKK
Equity and liabilities			
Share capital		60,000	60,000
Retained earnings		1,052,986	1,077,064
Equity	7	1,112,986	1,137,064
Trade payables		737	616
Payables to group companies	9	298,676	461,086
Joint taxation contributions payable		184	198
Other payables		232	234
Total current liabilities		299,829	462,134
Total liabilities		299,829	462,134
Total equity and liabilities		1,412,815	1,599,198
Subsequent events	10		
Contingent assets, liabilities and other financial obligations	11		
Related parties and ownership structure	12		

Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January 2022	60,000	1,077,064	1,137,064
Net profit/loss for the year	0	-24,078	-24,078
Equity at 31 December 2022	60,000	1,052,986	1,112,986

Notes

	<u>2022</u> TDKK	<u>2021</u> TDKK
1 Result from investments in subsidiaries		
Reversal of prior year impairment	0	65,830
Impairment for the year	<u>-24,251</u>	<u>0</u>
	<u>-24,251</u>	<u>65,830</u>
2 Financial income		
Interest received from group companies	501	105
Exchange adjustments	29	407
Other financial income	<u>7</u>	<u>10,130</u>
	<u>537</u>	<u>10,642</u>
3 Financial costs		
Interest to group companies	1,236	148
Other financial costs	8	0
Exchange adjustments costs	<u>102</u>	<u>537</u>
	<u>1,346</u>	<u>685</u>
4 Tax on profit/loss for the year		
Current tax for the year	184	106
Deferred tax for the year	-161	-94
Adjustment of tax concerning previous years	-93	93
Other taxes	<u>0</u>	<u>837</u>
	<u>-70</u>	<u>942</u>

Notes

	<u>2022</u> TDKK	<u>2021</u> TDKK
5 Distribution of profit		
Retained earnings	<u>-24,078</u>	<u>64,941</u>
	<u>-24,078</u>	<u>64,941</u>
6 Investments in subsidiaries		
Cost at 1 January 2022	1,652,663	1,374,907
Additions for the year	<u>19</u>	<u>277,756</u>
Cost at 31 December 2022	<u>1,652,682</u>	<u>1,652,663</u>
Revaluations at 1 January 2022	-222,679	-288,509
Impairment for the year	-24,251	0
Reversal of prior year impairment	<u>0</u>	<u>65,830</u>
Revaluations at 31 December 2022	<u>-246,930</u>	<u>-222,679</u>
Carrying amount at 31 December 2022	<u>1,405,752</u>	<u>1,429,984</u>

Notes

6 Investments in subsidiaries (continued)

Investments in subsidiaries are specified as follows:

Name	Registered office	Currency	Ownership interest	Equity	Profit/loss for the year
Vestas Kazakhstan LLP	Kazakhstan	tKZT	100%	1,350,525	646,121
LLC Vestas RUS.	Russia	tRUB	100%	6,532,633	1,620,829
Vestas Ukraine OOO.	Ukraine	tUAH	99%	1,253,375	272,151
Vestas Eastern Africa Ltd.	Kenya	tKHS	100%	22,285	21,554
Vestas Southern Africa Pty.	South Africa	tZAR	80%	35,038	12,706
Vestas Central Europe d.o.o.	Serbia	tRSD	100%	24,113	4,447
Vestas Spare Parts Belgium S.A.	Belgium	tEUR	100%	673	55
Vestas Switzerland AG.	Switzerland	tCHF	100%	1,361	-13
Vestas Georgia LLC.	Georgia	tEUR	100%	20,867	1,370
Vestas Bosnia Herzegovina d.o.o.	Bosnia	tBAM	100%	148	3
WPT Nord GmbH	Germany	tEUR	100%	728	169
Vestas Deutschland GmbH	Germany	tEUR	100%	72,307	9,327
Vestas Benelux B.B	The Netherlands	tEUR	100%	17,036	602
Vestas Österreich GmbH	Austria	tEUR	100%	11,075	3,828
Vestas Czechia sr.o.	Czech Republic	tCZK	100%	19,329	-978
Vestas Hungary Kft.	Hungary	tHUF	100%	779,621	-10,233
Vestas Bulgaria EOOD	Bulgaria	tBGN	100%	12,830	-4,208
Vestas CEU Romania S.R.L.	Romania	tRON	100%	7,057	8,146
Vestas Slovakia spol S.r.o.	Slovakia	tEUR	100%	1	2
Vestas Central Europe - Zagreb d.o.o.	Croatia	tHRK	100%	-1,220	112
Vestas Services GmbH	Germany	tEUR	100%	56,148	843
Vestas Latvia SIA	Latvia	tEUR	100%	15	12
Vestas Lithuania UAB	Lithuania	tEUR	100%	3	1
Vestas Estonia OÜ	Estonia	tEUR	100%	3	0

Notes

7 Equity

The share capital consists of 60,000 shares of a nominal value of DKK 100. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

	<u>2022</u> TDKK	<u>2021</u> TDKK
8 Provision for deferred tax		
Provisions for deferred tax on:		
Trade payables	-1,611	-1,450
Transferred to deferred tax asset	<u>1,611</u>	<u>1,450</u>
Deferred tax asset		
Calculated tax asset	<u>1,611</u>	<u>1,450</u>
Carrying amount	<u><u>1,611</u></u>	<u><u>1,450</u></u>

9 Letter of support from Parent Company

The company has received a commitment of financial support from the parent company.

10 Subsequent events

The environment in and around Russia leaves Vestas with no viable options to continue to pursue orderly corporate liquidations and activity wind down. On 31 January 2023 Vestas therefore exited Russia by putting a full stop to all remaining corporate activities in Russia without delay, hence the investment in LLC Vestas RUS has been fully impaired in 2022.

11 Contingent assets, liabilities and other financial obligations

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

12 Related parties and ownership structure

Transactions

All transactions with related parties has been carried out on a arm's-length basis.

Notes

12 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 Systems A/S, Hedeager 42, 8200 Aarhus N