

Vestas Shared Service A/S

CVR no. 31 62 36 85
Hedeager 42, 8200 Aarhus N

Annual report for 2022

Adopted at the annual general meeting on 16 June 2023

chairman

DocuSigned by:



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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 Shared Service 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 year 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.

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


Aarhus, 16 June 2023

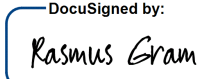
Executive board

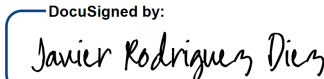
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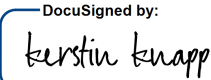
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Supervisory board

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Henrik Andersen
chairman

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Rasmus Gram

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Kerstin Manella Knapp

Independent Auditor's Report

To the shareholder of Vestas Shared Service 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 Shared Service 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, 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.

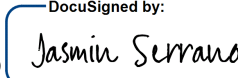
Independent Auditor's Report

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.

Hellerup, 16 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Rune Kjeldsen
State Authorised Public Accountant
mne34160

DocuSigned by:

Jasmin Serrano
State Authorised Public Accountant
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Company details

The company

Vestas Shared Service 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.: 31 62 36 85

Reporting period: 1 January - 31 December 2022
Financial year: 15th financial year

Domicile: Aarhus

Supervisory board

Henrik Andersen, chairman
Rasmus Gram
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 included in the consolidated financial statements 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, CVR 10 40 37 82 can be obtained at the following address:

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

Group chart

Parent company

Vestas Shared Service A/S,
Denmark
Nom. DKK 50,000,000

Subsidiaries

99% Vestas Service Delivery Center-
Szezecin sp. Z.o.o.,
Poland
Nom. PLN 4,950

Consolidated branch

100% Vestas Shares Service A/S -
Philippine ROHQ,
Philippines
Nom. PHP 9,144,889

Financial highlights

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

	2022	2021	2020	2019	2018
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Gross profit/loss	106,775	71,325	74,573	75,080	52,984
Operating profit/loss	5,395	4,188	9,596	9,279	1,123
Net financials	456	3,025	-3,795	937	-2,587
Profit/loss for the year	5,706	6,348	5,469	10,688	-1,661
Balance sheet total	145,631	144,644	150,937	122,897	143,635
Investment in property, plant and equipment	305	224	22,261	5,389	2,526
Equity	125,811	120,225	113,877	106,725	92,630
Number of employees	719	522	438	398	388
Return on assets	3.7%	2.8%	7.0%	7.0%	0.8%
Solvency ratio	86.4%	83.1%	75.4%	86.8%	64.5%
Return on equity	4.6%	5.4%	5.0%	10.7%	-1.8%

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

Management's review

Business review

The company's principal activity is the operation of the Vestas Group's Shared Service Center, that is located in a branch in the Philippines and a company in Poland.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of TDKK 5,706, and the balance sheet at 31 December 2022 shows equity of TDKK 125.811.

The decrease in profit before tax compared to 2021 is related to exchange rate adjustments. Net profit for the year is considered satisfactory compared to expected.

Special risks apart from generally occurring risks in industry

Financial risks

Refer to the Group annual report where the special risks and financial risks within the Vestas Group are stated. As a service center for the Vestas Group, there are no special risks besides the risk associated with negative results in the Vestas Group.

Impact on the external environment and measures taken to prevent, reduce or mitigate damage

The company's impact on the external environment is minimal.

Research and development activities in or for the company

The company has no research and development activities.

Accounting policies

The annual report of Vestas Shared Service A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized class C entities.

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.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historical 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.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue

Net sales of service benefits are recognized in the income statement when delivery and transfer of risk to the buyer has taken place.

Other external expenses

Other external expenses include administration, premises etc.

Accounting policies

Staff Cost

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment 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

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.

Accounting policies

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

Land and buildings	5 years
Leasehold improvements	5 years

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating 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 TDKK 30. 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-of-use 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.

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 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

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

Accounting policies

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 short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value

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 at net realisable value.

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.

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.

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.

Accounting policies

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'.

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.

Cash flow statement

No cash flow statement has been prepared for the company, as the company's cash flows are included in the consolidated cash flow statement.

Financial highlights

Definitions of financial ratios.

Return on assets	$\frac{\text{Profit/loss before financials} \times 100}{\text{Average assets}}$
Solvency ratio	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets at year-end}}$
Return on equity	$\frac{\text{Profit/loss from ordinary operations after tax} \times 100}{\text{Average equity}}$

Income statement 1 January 2022 - 31 December 2022

	Note	2022 TDKK	2021 TDKK
Gross profit		106,775	71,325
Staff Cost	1	-96,785	-62,496
Depreciation of tangible assets		-4,595	-4,641
Operating profit/loss		5,395	4,188
Profit/loss before financial income and expenses		5,395	4,188
Financial income	2	611	3,118
Financial costs	3	-155	-93
Profit/loss from ordinary activities before tax		5,851	7,213
Profit/loss before tax		5,851	7,213
Tax on profit/loss for the year	4	-145	-865
Net profit/loss for the year		5,706	6,348
Distribution of profit	5		

Balance sheet at 31 December 2022

	Note	2022 TDKK	2021 TDKK
Assets			
Land and buildings		11,087	15,941
Leasehold improvements		378	205
Tangible assets	6	11,465	16,146
Investments in subsidiaries	7	9	9
Other receivables		2,073	1,946
Fixed asset investments		2,082	1,955
Total non-current assets		13,547	18,101
Receivables from group companies		106,195	105,008
Other receivables		9,299	5,708
Deferred tax asset	8	1,363	367
Receivables		116,857	111,083
Cash at bank and in hand		15,227	15,460
Total current assets		132,084	126,543
Total assets		145,631	144,644

Balance sheet at 31 December 2022

	Note	2022 TDKK	2021 TDKK
Equity and liabilities			
Share capital		50,000	50,000
Retained earnings		75,811	70,225
Equity		125,811	120,225
Lease obligations		7,887	12,878
Total non-current liabilities	9	7,887	12,878
Lease obligation	9	4,653	4,259
Trade payables		2,519	1,345
Corporation tax		1,225	103
Joint taxation contributions payable		27	100
Other payables		3,509	5,734
Total current liabilities		11,933	11,541
Total liabilities		19,820	24,419
Total equity and liabilities		145,631	144,644
Subsequent events	10		
Contingent liabilities	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	50,000	70,225	120,225
Share option programme	0	-120	-120
Net profit/loss for the year	0	5,706	5,706
Equity at 31 December 2022	50,000	75,811	125,811

Notes

	2022 TDKK	2021 TDKK
1 Staff Cost		
Wages and Salaries	87,182	58,440
Pensions	2,058	2,522
Other social security expenses	7,545	1,534
	96,785	62,496
Average number of employees	719	522
According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the executive board has not been disclosed.		
2 Financial income		
Interest received from group companies	399	97
Other financial income	3	3
Exchange adjustments	209	3,018
	611	3,118
3 Financial costs		
Interest paid to group companies	155	93
	155	93
4 Tax on profit/loss for the year		
Current tax for the year	68	695
Deferred tax for the year	0	170
Adjustment of tax concerning previous years	77	0
	145	865

Notes

	2022 TDKK	2021 TDKK
5 Distribution of profit		
Retained earnings	5,706	6,348
	5,706	6,348
6 Tangible assets		
	Land and buildings TDKK	Leasehold improvements TDKK
Cost at 1 January 2022	28,056	5,800
Exchange adjustment	-736	-153
Additions for the year	0	305
Cost at 31 December 2022	27,320	5,952
Impairment losses and depreciation at 1 January 2022	12,115	5,595
Exchange adjustment	-350	-148
Depreciation for the year	4,468	127
Impairment losses and depreciation at 31 December 2022	16,233	5,574
Carrying amount at 31 December 2022	11,087	378
Depreciated over	5 years	5 years
Value of leased assets	11,087	0

Notes

	2022 TDKK	2021 TDKK
7 Investments in subsidiaries		
Cost at 1 January 2022	9	9
Cost at 31 December 2022	9	9
Carrying amount at 31 December 2022	9	9

Investments in subsidiaries are specified as follows:

Name	Registered office	Currency	Ownership interest	Equity	Profit/loss for the year
Vestas Service Delivery Center - Szczecin sp z.o.o.	Poland	PLN	99%	-2,999	1,085

	2022 TDKK	2021 TDKK
8 Provision for deferred tax		
Provisions for deferred tax on:		
Tax loss carry-forward	-1,363	-367
Transferred to deferred tax asset	1,363	367
Deferred tax asset		
Calculated tax asset	1,363	367
Carrying amount	1,363	367

9 Lease obligations		
Between 1 and 5 years	7,887	12,878
Non-current portion	7,887	12,878
Within 1 year	4,653	4,259
	12,540	17,137

Notes

10 Subsequent events

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

11 Contingent liabilities

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

The company has no contingent liabilities.

12 Related parties and ownership structure

Transactions

All transactions with related parties have been carried out on an arm's length basis.

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.