



Vestas[®]

Referat af ordinær generalforsamling **2023**

Vestas Wind Systems A/S
CVR-nr.: 10403782

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Classification: Public

Referat

Den 12. april 2023 kl. 16.30 afholdtes ordinær generalforsamling i Vestas Wind Systems A/S, CVR-nr. 10 40 37 82 på adressen Hedeager 42, 8200 Aarhus N.

Bestyrelsens formand, Bert Nordberg, bød velkommen og oplyste, at bestyrelsen i henhold til vedtægternes § 7, stk. 1, havde udpeget advokat Klaus Søgaard som dirigent.

Dirigenten gennemgik reglerne i selskabsloven og selskabets vedtægter vedrørende indkaldelse til den ordinære generalforsamling og erklærede generalforsamlingen for lovlig og beslutningsdygtig.

Dirigenten oplyste, at alle punkter på dagsordenen kunne vedtages med simpel majoritet. Dirigenten oplyste endvidere, at de modtagne fuldmagter og brevstemmer viste, at samtlige forslag ville blive vedtaget med overvældende majoritet, og at der ikke ville blive afholdt afstemning om de enkelte punkter, medmindre dette blev forlangt af en aktionær.

Ved generalforsamlingens start var 163 aktionærer til stede. I alt var der ved generalforsamlingens start repræsenteret over 60% af selskabets kapital og stemmer efter reduktion for egne aktier.

Generalforsamlingen overgik herefter til dagsordenen, idet punkterne 1-2 blev forelagt samlet.

1. **Bestyrelsens beretning om selskabets virksomhed i det forløbne år**

Bestyrelsesformand Bert Nordberg fremlagde bestyrelsens beretning på engelsk, der er vedlagt i sin helhed som Bilag 1 til referatet.

Administrerende direktør, Henrik Andersen præsenterede årsrapporten for 2022 og fremhævede indledningsvist, at han var glad for det stigende fremmøde på dette års generalforsamling.

Henrik Andersen gennemgik året 2022, som han beskrev som et usædvanligt vanskeligt år. Henrik Andersen gjorde det klart, at det er en prioritet for Vestas, at alle medarbejdere skal kunne gå sikkert på arbejde, uanset hvor de arbejder.

Henrik Andersen henlede opmærksomheden på de forsyningskædeudfordringer, som har præget 2022, og som han også forventede ville fortsætte i 2023. Henrik Andersen beskrev selskabets exit fra det russiske marked, samt hvilken betydning dette har haft for selskabet. Den geopolitiske situation er stadig usikker, og Henrik Andersen forventede, at dette fortsat vil få indflydelse på aktiviteterne i 2023. Herefter beskrev Henrik Andersen problemer relaterende til inflation, omkostningsniveau, logistik og leverancetider og de udfordringer dette medfører i relation til omsætning og indtjening.

Henrik Andersen redegjorde nærmere for udviklingen i prisen for elektricitet og de udfordringer, der er konstateret med hensyn til at få pris og kapacitet i balance igen på det europæiske elmarked. Han adresserede de logistiske problemstillinger med lange leveringstider og dyr transport.

Henrik Andersen oplyste, at omsætningen i 2022 blev på EUR 14,5 milliarder, hvilket var et fald på 8% fra 2021. De stigende priser og omkostninger havde medført, at hver gang Vestas solgte turbiner for DKK 100, så tabte man DKK 13. EBIT-marginen faldt betydeligt. Dette medførte yderligere et negativt frit cash flow på ca. EUR 1 milliard. Dette havde svækket balancen, men der er stadig tale om en stærk balance.

Vestas' investeringer har været på ca. EUR 750 millioner.

Henrik Andersen oplyste, at ordrebeholdningen for vindmøller i 2022 steg fra EUR 18,1 milliarder til 19,1 milliarder. Henrik Andersen pointerede, at profitabilitet er vigtigere end volumen, hvorfor der har været stor fokus på salgspriser og profitabilitet.

Henrik Andersen fremhævede på ny prisudviklingens indflydelse på omkostningerne og profitabiliteten, hvilket har medført betydelige udfordringer, hvor særligt turbinsegmentet har været hårdt ramt. Vestas har således – som allerede nævnt – tabt 13% på turbinerne.

Henrik Andersen pointerede, at direktionen har fokus på, at dette problem skal løses hurtigst muligt.

Serviceforretningen er siden 2018 næsten fordoblet i størrelse. Henrik Andersen oplyste, at Vestas er gået fra at være verdens mest bæredygtige selskab til at være nummer to. Der er en klar ambition om at komme tilbage som nummer 1.

Henrik Andersen refererede herefter til selskabets strategi, og hovedkonklusionen er, at strategien virker. Det fremhævedes, at Vestas med sine mere end 80.000

leverede turbiner i mere end 80 lande reelt set fjerner 221 millioner tons CO2 om året.

Henrik Andersen fremhævede, at selskabets nyeste forsøgsvindmølle, V236-15.0 MW-møllen, til opstilling på havet er sat op i det Nationale Testcenter for Store Vindmøller i Østerild i Vestjylland, og denne forsøgsmølle påbegyndte produktionen i december 2022. En enkelt mølle kan producere strøm til ca. 20.000 husstande.

Henrik Andersen beskrev de langsigtede målsætninger og gjorde det klart, at Vestas ikke ønsker at vokse på bekostning af indtjeningen. Et mål er, at EBIT-marginen skal tilbage over 10% i 2025. Vestas skal være med til at lede industrien og Vestas skal tilbage til sorte tal i 2023.

Forventningerne til 2023 er en omsætning på EUR 14-15,5 milliarder, hvor serviceforretningen forventes at vokse med 5%. Der forventes en EBIT-margin mellem minus 2% og 3%.

Dirigenten åbnede herefter for spørgsmål og bemærkninger til beretningen. Dirigenten gav ordet til Claus Wiinblad, ATP.

Claus Wiinblad, ATP, takkede indledningsvist formanden og den administrerende direktør for deres beretning. Claus Wiinblad beskrev de udfordringer, som Vestas var ramt af i 2022, og som man forventer vil fortsætte ind i 2023. Claus Wiinblad omtalte herefter de generelle problemer, som har ramt vindmølleindustrien, og han udtrykte bekymring over, at en branche, der er en så vigtig del af værdikæden i den grønne omstilling, ikke kan tjene penge på nuværende tidspunkt. Claus Wiinblad omtalte de positive elementer og roste Vestas for indsatsen i jagten på højere priser for vindmøller/turbiner, da dette er et afgørende element for at forbedre indtjeningen på længere sigt. Claus Wiinblad mente, at Vestas som markedsleder er forpligtet til at fortsætte jagten på dette.

Claus Wiinblad fremhævede udviklingsforretningen og gav udtryk for, at dette område begynder at udgøre en større del af den samlede forretning - og samtidig i ATP's øjne udgør en spændende mulighed for værdiskabelse. Claus Wiinblad og spurgte herefter:

- "Hvad er Vestas' forventninger til dette forretningsområde og i hvilket omfang vil det blive en væsentlig driver for værdiskabelsen i selskabet?"

Claus Wiinblad supplerede spørgsmålet med en opfordring til, at Vestas øger transparensen for udviklingsforretningen, så man som investorer får en bedre indsigt i området.

Endelig takkede Claus Wiinblad Bert Nordberg for dennes store indsats igennem sine godt 10 år som formand.

Henrik Andersen takkede Claus Wiinblad for indlægget og svarede, at når Vestas har identificeret et forretningsområde, som udviklingsforretningen, som et af kerneområderne, så er det med sigte på, at dette skal vokse yderligere. Henrik Andersen oplyste, at udviklingsforretningen er kommet godt i gang, og ambitionen er at nå 3-5 GW realiserede projekter per år. Henrik Andersen varslende dog, at der altid er en risiko for, at nogle af projekterne ikke materialiseres, ligesom der er en lang tidshorisont på andre projekter. Vestas har dog tiltro til potentialet.

I forhold til transparensen forstod Henrik Andersen ønsket, men gjorde det klart, at det ikke altid er en fordel at dele for meget, når man befinder sig indenfor et relativt afgrænset område med meget få konkurrenter.

Dirigenten gav ordet til Søren Svendsen fra Dansk Aktionærforening.

Søren Svendsen takkede ledelsen for en god beretning og rettede en stor tak til den afgående formand, men bød på samme tid Anders Runevad velkommen med håb om, at han vil blive lige så mange år som Bert Nordberg. Søren Svendsen nævnte det dårlige regnskab for 2022, men fandt trøst i, at konkurrenterne udviste endnu ringere resultater. Med den politiske agenda og den konstant øgede fokus følte Søren Svendsen sig dog tryk, og han forudså en stor fremtid for selskabet.

Dirigenten gav ordet til aktionær Bjørn Hansen.

Bjørn Hansen takkede ledelsen for deres store indsats. Han følte sig meget tryk ved den fremtid, som Vestas stod foran. Bjørn Hansen havde i dagens anledning taget gaver med til formanden, den administrerende direktør og dirigenten. Bjørn Hansen spurgte herefter ind til (i) hvad der reelt er turbinen på vindmøllen, (ii) hvordan man finansierer vindmøllerne i de respektive lande og til sidst (iii) opfordrede han Vestas til at presse mere på overfor politikkerne og de grønne investeringer. Bjørn Hansen afsluttede med at lykønske ledelsen og selskabet med de fine resultater.

Henrik Andersen takkede Bjørn Hansen for bemærkningerne og for hans tilstedeværelse på generalforsamlingen. Til spørgsmål (i) svarede han, at det nok ville komme for vidt at gennemgå opbygningen af møllerne på generalforsamlingen, men man kunne se eksempler opstillet i salen. I forhold til spørgsmål (ii) oplyste Henrik Andersen, at han gerne ville begrænse oplysningerne om finansiering, da dette kunne medføre en konkurrencemæssig fordel til Vestas' konkurrenter. I forhold til spørgsmål (iii) informerede han om, at Vestas vil gøre hvad man kan for at holde politikkerne til ilden, når det kommer til den grønne omstilling.

Dirigenten gav herefter ordet til aktionær Henk in 't Hout fra Holland.

Henk in 't Hout udtrykte sin bekymring som aktionær og som ejer af Vestas-vindmøller. Henk var meget tilfreds med selskabets produkter, men utilfreds med den service, som Vestas efterfølgende tilbyder. Som aktionær kunne Henk ikke støtte den kurs og opfordrede ledelsen til at øge servicen igen.

Henrik Andersen takkede Henk in 't Hout for indlægget, og udtrykte sin bekymring for at han havde set sig nødsaget til at tage helt til Danmark for at udtrykke sin bekymring. Henrik Andersen lovede Henk in 't Hout, at der vil blive set på de serviceproblemer, som han havde beskrevet.

Dirigenten konstaterede herefter, at der ikke var yderligere spørgsmål eller kommentarer, og at generalforsamlingen tog ledelsens beretning til efterretning.

2. **Fremlægelse og godkendelse af årsrapporten**

Henrik Andersen gennemgik hovedpunkter fra årsrapporten for 2022 (Annual Report 2022), jf. det ovenfor under punkt 1 refererede.

Der fremkom ikke yderligere spørgsmål til årsrapporten, og dirigenten konstaterede herefter, at årsrapporten var godkendt.

3 **Beslutning om anvendelse af årets resultat i henhold til den godkendte årsrapport**

Dirigenten oplyste, at bestyrelsen havde fremsat forslag om, at der ikke udbetales udbytte for 2022 i overensstemmelse med selskabets udbyttepolitik. Dirigenten oplyste, at generalforsamlingen ikke kan beslutte at uddele mere end, hvad bestyrelsen foreslår eller godkender.

Der fremkom ikke spørgsmål eller kommentarer. Dirigenten konstaterede herefter, at forslaget var godkendt.

4 **Fremlæggelse og vejledende afstemning om vederlagsrapporten**

Dirigenten oplyste, at bestyrelsen havde stillet forslag om godkendelse af selskabets vederlagsrapport for 2022 (Remuneration Report 2022), der blev forelagt generalforsamlingen til en vejledende afstemning.

Vederlagsrapporten for 2022 (Remuneration Report 2022) var udarbejdet i henhold til selskabslovens § 139b og gav et overblik over det samlede vederlag til selskabets nuværende og tidligere bestyrelses- og direktionsmedlemmer i regnskabsåret 2022.

Der fremkom ikke spørgsmål eller yderligere kommentarer, hvorefter dirigenten konstaterede, at vederlagsrapporten for 2022 var godkendt.

5 **Godkendelse af bestyrelsens honorar**

Bestyrelsen foreslog, at honoraret for 2023 baseres på et fast basishonorar på DKK 445.175 pr. bestyrelsesmedlem, hvilket er uændret sammenlignet med honoraret for 2022. Hertil blev det foreslået, at formanden modtager tredobbelt basishonorar, mens næstformanden modtager dobbelt basishonorar for de udvidede bestyrelsesopgaver.

Ud over basishonoraret foreslog bestyrelsen, at der fortsat ydes et udvalghonorar på DKK 267.750 til bestyrelsesmedlemmer, der tillige er medlem af et bestyrelsesudvalg, og at udvalgsformændene modtager DKK 481.950 for deres udvidede udvalgsopgaver. Det foreslåede honorar for udvalgsarbejde var ligeledes uændret i forhold til honoraret for 2022.

Det var oplyst, at selskabet i tillæg til ovenstående kan afholde udenlandske sociale afgifter og tilsvarende afgifter, som opkræves af udenlandske myndigheder i relation til bestyrelses- eller udvalghonoraret.

Dirigenten konstaterede, at bestyrelsens forslag om godkendelse af bestyrelsens honorar for 2023 var vedtaget.

6 **Valg af medlemmer til bestyrelsen**

Dirigenten oplyste, at alle selskabets generalforsamlingsvalgte bestyrelsesmedlemmer i henhold til vedtægternes § 8, stk. 1, var på valg.

Bestyrelsesformanden Bert Nordberg stillede ikke op til genvalg.

Dirigenten oplyste, at bestyrelsen havde foreslået genvalg af Anders Runevad, Bruce Grant, Eva Merete Søfelde Berneke, Helle Thorning-Schmidt, Karl-Henrik Sundström, Kentaro Hosomi og Lena Olving.

Nærmere information om kandidaternes kompetencer, uafhængighed, baggrund og øvrige ledelseshverv fremgik af bilag 1 til indkaldelsen.

Der fremkom ikke yderligere kommentarer eller forslag til kandidater.

Dirigenten konstaterede herefter, at Anders Runevad, Bruce Grant, Eva Merete Søfelde Berneke, Helle Thorning-Schmidt, Karl-Henrik Sundström, Kentaro Hosomi og Lena Olving var genvalgt til bestyrelsen.

7 **Valg af revisor**

Bestyrelsen foreslog genvalg af PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab i overensstemmelse med revisionsudvalgets indstilling. Nærmere information om den opstillede revisor fremgik af bilag 2 til indkaldelsen.

Der fremkom ikke spørgsmål eller kommentarer, og der blev ikke krævet afstemning. Dirigenten konstaterede herefter, at forslaget var godkendt.

8 **Forslag fra bestyrelsen**

8.1 **Fornyelse af bemyndigelse til at erhverve egne aktier**
Dirigenten oplyste, at bestyrelsen havde stillet forslag om, at bestyrelsen bemyndiges til at lade selskabet erhverve egne aktier i perioden indtil den 31. december 2024 svarende til op til 10% af selskabets aktiekapital på bemyndigelsestidspunktet, forudsat at selskabets samlede beholdning af egne aktier ikke på noget tidspunkt overstiger 10% af selskabets aktiekapital. Købsprisen ved erhvervelsen af egne aktier må ikke afvige fra den på Nasdaq Copenhagen noterede aktiekurs på købstidspunktet med mere end 10%.

Der fremkom ikke spørgsmål eller kommentarer. Dirigenten konstaterede herefter med generalforsamlingens tilslutning, at forslaget var godkendt.

9. **Bemyndigelse til dirigenten**

Bestyrelsen foreslog, at generalforsamlingen bemyndigede dirigenten (med substitutionsret) til at anmelde de anmeldelsespligtige beslutninger truffet af generalforsamlingen til Erhvervsstyrelsen samt til at foretage korrektioner i de dokumenter, som er udarbejdet i forbindelse med disse beslutninger, i det omfang Erhvervsstyrelsen måtte kræve dette for at gennemføre registrering af beslutningerne.

Der fremkom ikke spørgsmål eller kommentarer. Dirigenten konstaterede, at forslaget var godkendt.

10. **Eventuelt**

Anders Runevad takkede på egne og den samlede bestyrelses vegne Bert Nordberg for dennes store indsats gennem de forløbne godt 10 år.

Bert Nordberg, takkede alle de fremmødte aktionærer og bød velkommen til Anders Runevad som kommende bestyrelsesformand.

Der forelå herefter ikke yderligere til behandling.

Som dirigent:

Klaus Søgaard, advokat

Bilag 1

Formandens beretning (alene på engelsk)

Dear Shareholders,

2022 was a turning point in the history of global energy. We began the year finding our way back to the surface after the pandemic, which brought considerable disruption to our supply chains, project deliveries, and to our employees' wellbeing.

No one could have predicted Russia's invasion of Ukraine. Before long, the global energy landscape found itself under extreme volatility. As gas supplies were restricted, energy bills skyrocketed. In an attempt to limit the impact on our cost of living, governments rushed towards emergency market interventions.

For Vestas, this led to our exit from Russia, and an ongoing battle with a hostile external business environment. In 2022, inflation and supply chain disruption dented our profitability. And while the media called out windfall profits and gold rushes for electricity suppliers, the view from in-side the supply chain looked quite different.

Needless to say, a bleak short-term outlook. However, 2022 also saw something remarkable occur. In the face of widespread fossil fuel volatility, renewable power, and wind energy in particular, has been granted a strategic and economic edge.

Across the world, governments are raising renewables targets, and allocating huge investments to support renewable buildout. The USA's Inflation Reduction Act, and Europe's Net Zero Industry Act, are just two examples of a newly found understanding of the value held in domestically produced energy. Recent estimates state that the war has accelerated the energy transition by an astonishing 5 to 10 years.

At the helm of this transition, is Vestas. Although we are financially challenged right now, our business is at the epicentre of a seismic shift in global energy. We continue to command the largest footprint in wind energy, and we continue to be known for our unparalleled expertise. Our solutions are growing exponentially more valuable, and many of our partners and political stakeholders both recognise and actively support this.

Results and shareholder value

While political momentum signals an increasingly bright future for wind energy, and for Vestas, the volatility in our business environment has impacted our financial performance this past year, and we cannot be satisfied with our results.

Before I hand it over to Henrik Andersen to take you through our results in more detail, I'll take a moment to reflect on the highlights from 2022:

- Our revenue landed at EUR 14.5bn, with the decline driven by our exit from Russia as well as project delays.
- We reached an EBIT margin of negative 8 percent. Our EBIT was hampered by supply chain disruptions, inflation, higher warranty provisions and offshore impairments.
- We secured a total order intake of 11.2 GW, and increased average selling price by 29 per-cent, landing at an ASP of EUR 1.07m/MW. Although our order intake in GW was down 19 percent, its value increased by 3 percent due to strong price increases.
- We achieved a strong performance in Service, with 27 percent revenue growth and a 21.4 percent EBIT margin.
- We achieved industry-leading progress in Sustainability, where our circularity solution for wind turbine blades marked an industry breakthrough, and we earned a #2 ranking in the Corporate Knights index.

- Our strategy was reaffirmed with progress within core areas and business enablers. Re-storing profitability in turbine segments remains the focus while building industry discipline and maturity.

Returning Vestas to profitability is our highest priority in 2023, and we are working aggressively on a range of initiatives to achieve this. From continuing our pricing discipline to maximise value capture, to building traction for our new products, through to strengthening our operations to promote more efficiency and scalability, profitability guides every activity at Vestas.

To ensure we continue to pave the way for our leadership in the mid and long term, we'll be working to unlock the commercial value of our ground-breaking innovations. Our new blade circularity solution holds significant potential to be a strong commercial differentiator in project bids, as well as an enabler for new commercial offerings for our partners.

Our newly established leadership position in offshore wind will continue to grow with the introduction of the V236, the prototype of which is now up and running and generating power in Østerild, Denmark.

And we will build on our outstanding performance in Service, to offer new and innovative asset management solutions, while continuing to expand our presence.

Through these activities, we aim to enhance our value creation going forward, and transfer this value back to you, our shareholders.

Report on the Board's work 2022

In 2022, we held 12 Board meetings, five Audit Committee meetings, five Nomination & Compensation Committee meetings and four technology & Manufacturing Committee meetings.

Throughout the year, there was a high participation rate in all meetings, indicating that all members allocated sufficient time to carry out their responsibilities to Vestas.

Over the past year, we have had a particular focus on topics such as geopolitical risks and opportunities, our product and technology development and competitiveness, and supply chain disruptions, including the logistical challenges and cost inflation we have seen throughout 2022.

Furthermore, we have been following up on the initiatives that were implemented after the cyber security incident that occurred in November 2021. In July, we established Digital Solutions as a functional area, represented in the Executive Management. The new organisation brings together digital capabilities from across Vestas, anchoring our new digital strategy and enabling us to kick-start our digital transformation. We also looked into a number of sustainability related topics such as a follow-up on our sustainability strategy, sustainability in our supply chain, our safety performance, and Ethics Line cases.

A strategy seminar was also conducted in October 2022, where the Board reviewed and aligned our industry and business outlook and discussed our corporate strategic priorities in light of this.

Evaluation of the Board's work 2022

We, the Board, perform an evaluation of our work and composition every year. Our goal with this is to continue our ongoing development of the Board's efficiency and working procedures. The evaluation process is also a tool for determining the competences required by the Board.

In addition, the evaluation serves as input for the Nomination & Compensation Committee's work on proposing board members. As part of the yearly evaluation, board members are asked to complete a questionnaire to make sure that all relevant issues are touched upon in connection with the evaluation. The areas covered by the evaluation may differ from year to year to reflect the development of the Board's work. We bring in external consultants to support the evaluation at least once every third year, most recently in 2021.

The 2022 evaluation was conducted in October and November as an open dialogue among the members and facilitated internally by the chairs. The evaluation revealed that we have a good effectiveness in the Board and a high level of trust, along with a strong level of commitment and collaboration. Furthermore, the evaluation revealed that there is a good and constructive dialogue with the Executive Management, as well as with the broader Executive Management team.

Throughout the year the Executive Management team has presented to the Board on various topics which has led to constructive discussions. Furthermore, the members of the board expressed support for maintaining the current committee structures, which were considered appropriate. The committees are well organized, and the Board is well informed about the topics discussed by the committees.

Diversity in the broadest sense remains a key focus for the Board, and we prioritise this in our board member searches.

In February 2021, we established a gender distribution target of 37.5/62.5 to be reached no later than 2022. In April last year, our shareholders elected three female and five male board members, and the target was reached. With the nominated board candidates for 2023, the Board will reach a gender distribution of 43/57 among the members elected by the General Meeting. With the inclusion of employee-elected members, the overall composition of the Board is then expected to be five female, and six male board members.

The Board also aims to achieve diversity in terms of nationalities, reflective of our global presence as a business. After the 2022 AGM, four nationalities were represented at the Board which will continue to apply after this meeting.

Overall, I am pleased to say that we have a well-organized Board and Committees, where all are focused on paving the way for Vestas on its journey to become the global leader in sustainable energy solutions.

Board remuneration 2022 / 2023

Before sharing what the Board and I would like to prioritise for Vestas going forward, I would like to address the remuneration policy for the Board and Executive Management. The Remuneration Policy and the Remuneration Report 2022 are available on the company website, but allow me to recap the key aspects.

In 2022, the Board of Directors received a total remuneration of EUR 1,460,893. This was in accordance with the remuneration level approved by the shareholders at the Annual General Meeting in 2022, as well as with the Remuneration Policy. Members of the board received a fixed basic annual fee, increased by 2 percent from the level in 2021.

Detailed information about remuneration payments in 2022 is available in our Remuneration Report. The report will be presented for advisory vote here at the Annual General Meeting in accordance with applicable law.

To ensure that Vestas' remuneration promotes both strategic goals as well as long-term value creation and sustainability, the remuneration includes both fixed remuneration, short-term incentives, and long-term incentives. To show how our policy works and how remuneration is tied to performance, the Board wants to highlight that in 2021 and 2022, we didn't pay out any short-term incentives, while the awarded performance share programme was index 10 for 2021 and index zero for 2022. As an example, this means that both our CEO and CFO remuneration in the last two years have more or less consisted of their basic salary and benefits. In 2022, the Board discussed the need for additional actions to support the retention of key talents in a highly competitive talent market. This discussion led to the decision to grant an additional allotment of restricted shares for a select group of key talents, including members of the executive management team and our CEO. More details can be found in the report and also how we are seeing remuneration as part of bringing Vestas back as a profitable company.

For 2023, the Board recommends that the board remuneration for 2023 is unchanged compared to 2022.

Board composition 2023

In 2022, the Board of Directors continued to work closely with Executive Management to ensure Vestas' strategy reflects the evolving renewables industry. A challenging 2022 created multiple situations with close collaboration and execution on difficult topics, including our exit from Russia and our continued customer and commercial focus.

To fully leverage the opportunities ahead, the Board has worked closely with the Executive Management team to guarantee that Vestas' strategic direction is reflected in our ongoing governance.

After more than 10 years as Chairman of this Board of Directors, I will be stepping down following this Annual General Meeting. I joined Vestas as Chairman back in 2012 during a period of financial turmoil. Over the past decade, I have had the privilege of witnessing wind energy's role in global energy transform. From a niche, highly subsidized energy source, it has become the backbone of the global energy system, and holds the promise of a more secure and sustainable future.

During this journey, I have overseen Vestas' growth from a leader in onshore wind, to a global leader in sustainable energy solutions, able to create value for our partners at almost every stage of the wind energy value chain. With Vestas at the forefront of global wind energy, the perception of our industry has evolved drastically. Wind has now firmly replaced fossil fuels as the most valuable energy source in the world. And as I end my tenure, I am proud to leave behind a clear and viable pathway for Vestas' return to profitability.

As Chairman, a key objective for me has been to ensure we have the right expertise reflected in the Board, to lead Vestas on its journey to become the global leader in sustainable energy solutions. We also need a Board and Executive Management team setup that creates long-term value, anchoring our corporate values in the business, and enabling a supportive and inclusive company culture.

As our current deputy Chairman and as former CEO of Vestas, having steered the company firmly away from instability following the financial crisis, I have every confidence that Anders Runevad can successfully carry out our plans for returning to profitability, and continue our strong relationship with our leadership team and CEO. Anders is not defined as independent due to his previous position with Vestas, but we firmly believe that his experience, competence, and unique knowledge about how to run a listed company is highly important to carrying out the Board's work successfully.

Overall, it is crucial that we have the right board members in place to steer Vestas along its leadership journey. In compliance with good corporate governance recommendations all Board members elected by the Annual General Meeting stand for re-election.

The Board has decided not to nominate a new candidate this year following my departure. We instead recommend the re-election of Anders Runevad, Bruce Grant, Eva Merete Søfelde Berneke, Helle Thorning-Schmidt, Karl-Henrik Sundström, Kentaro Hosomi, and Lena Olving.

With the seven members elected at this Annual General Meeting, and the four employee representatives, the Board in 2023 will consist of 11 members in total.

The future is arriving

Ten years ago, many of us working at Vestas felt we were sitting with an exciting secret, one that we needed the world to understand as soon as possible. We looked forward to a future where wind energy could thrive in political environment that supported us, and a market that rewarded what we could do for society.

Since 2012, the world has better understood the urgent need for decarbonisation, with the spot-light on climate breakdown growing increasingly bright. 2022 saw energy policy moving into the realm of security policy. The role of wind energy has now grown from a tool to accelerate decarbonisation, to the key to unlocking energy security, and societal resilience. At Vestas, our solutions drive job creation, economic growth, and environmental benefits that stretch far beyond limiting carbon emissions.

While we're now closer than ever, the future we dreamt of ten years ago is still in the distance. The mechanics of our industry do not yet offer a healthy business environment for the entire value chain.

Permitting delays are currently restricting wind energy volumes and hampering our ability to plan for scale. Selecting a site, obtaining permits and establishing supportive infrastructure for large wind projects can take several years. It is critical for this process to move faster if we are to lay the groundwork for a thriving wind industry.

The gains to be made from reducing red tape are significant. The International Energy Agency estimates that renewables generation would rise by an extra 25 percent by 2027 if bureaucratic and financing barriers were removed.

Too often, we see auctions for wind energy contracts designed to keep electricity cheap and driving a race to the bottom for suppliers. This hinders our ability to build healthy business cases and capture enough value to be able to invest in our future.

Going forward, Vestas' overarching priorities will be returning to profitability, and building scalability into every corner of our business. Our goal with this is to ensure that Vestas continues to thrive in this challenging business environment.

As we prepare to deliver to the 10 GW of Preferred Supplier Agreements already won in offshore, the V236, and our executional approach to installing and servicing this platform will mature.

And across the business, we are adjusting, honing, and tightening our ways of working to support a more responsive approach to the needs of an evolving global energy landscape.

As I mentioned before, we are closer than ever to the wind energy boom. For decades, Vestas has been preparing for the moment where fossil fuels lose their strategic advantage, and the pendulum shifts towards our industry. In 2022, that moment arrived.

Every credible projection now points towards a period of exponential growth for wind energy, due to kickstart as soon as a year from now.

Leading this journey, Vestas will bring thousands of skilled people, and entire nations with us in-to an era of more secure, and more resilient energy systems. Yes, we have challenges directly ahead, but we have all the necessary ingredients in place within our organisation to solve these challenges.

There's never a good time to say goodbye, but it fills me with great pride to leave behind a company that holds such promise for the nations we support, for you, our shareholders, and for future generations.

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