

Company announcement from Vestas Wind Systems A/S

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Vestas to acquire offshore business in joint venture

Vestas Wind Systems A/S (Vestas), and Mitsubishi Heavy Industries, Ltd. (MHI), have signed an agreement that Vestas will acquire MHI's shares in the MHI Vestas Offshore Wind (MVOW) joint venture, against MHI acquiring 2.5 percent in Vestas and being nominated to a seat in Vestas' Board of Directors, thus strengthening the partnership within sustainable energy between the two companies.

Vestas is to acquire MHI's 50 percent share of the MVOW joint venture against 5,049,337 shares in Vestas that will be issued at closing of the transaction, corresponding to 2.5 percent of Vestas' nominal share capital after the capital increase. The transaction has a value of approx. EUR 709m, based on the volume-weighted average of the price for shares in Vestas as quoted on Nasdaq Copenhagen the last five days up to and including 28 October 2020. Following a decision made today by the Board of Directors of Vestas, and subject to completion of the transaction, the share capital of Vestas will be increased by a nominal value of DKK 5,049,337, divided into shares of DKK 1 each, pursuant to the authorisation in article 3(1)(b) of Vestas' Articles of association.

If the transaction is approved by the competition authorities, MHI will through MHI Holding Denmark ApS (MHI Denmark), subscribe for nominally DKK 5,049,337 new shares, divided into shares of DKK 1 each, by contribution in kind of MHI Denmark's shares in the MHI Vestas Offshore Wind (MVOW) joint venture. The new shares shall be subscribed at a price of DKK 1,045 per share of nominally DKK 1, calculated as the volume-weighted average of the price for shares in Vestas as quoted on Nasdaq Copenhagen A/S the last five business days open for trading up to and including 28 October.

Subscription and payment of the new shares shall be made by MHI Denmark at the date of completion of the transaction, but no later than 12 months after the date of the decision by the Board of Directors to issue the shares. Vestas is subject to certain obligations to offer MHI Denmark rights to subscribe for shares against cash payment in the event of a rights issue to shareholders in the period until closing of the transaction to ensure that any changes to the size of the nominal value of Vestas shares do not subsequently impact MHI Denmark's proportionate holdings.

The new shares will have the same rank ("pari passu") as the existing shares in Vestas and shall carry a right to dividend from the date of registration of the capital increase with the Danish Business Authority. Following completion of the capital increase, the registered share capital of Vestas will amount to nominally DKK 201,973,452, divided into 201,973,452 shares of DKK 1 each. The new shares are expected to be admitted to trading and official listing on Nasdaq Copenhagen as soon as possible following closing of the transaction.

The share issue will be made pursuant to applicable exemptions from the obligation to publish a prospectus as a directed issue and private placement at market value and without pre-emption rights for Vestas' existing shareholders.

Vestas' planning of the expected integration of MVOW into the Vestas group will commence immediately and run until transaction closing, focusing on synergies in sales, technology, manufacturing footprint and procurement to sustain customer relationships, lower costs and build a strong shared Vestas culture. Until transaction closing, the executive management of MVOW will consist of Johnny Thomsen, CEO of MVOW, Tatsuichiro Honda, Co-Chief Executive Officer and Chief Financial Officer of MVOW, Kentaro Hosomi, Deputy Chairman of MVOW and CEO, Energy Systems, MHI, and Henrik Andersen, Chairman of MVOW and Group President and CEO of Vestas.

On a stand-alone basis, MVOW is expected to report a consolidated revenue for 2020 of approx. EUR 1.4bn, with an EBIT margin of around 4 percent.

Closing of the transaction is expected to take place within either the fourth quarter of 2020 or the first quarter of 2021.

A press release with more details on the agreement and the future partnership will be published at vestas.com subsequent to this Company announcement.

Conference call

On Thursday 29 October 2020 at 10 a.m. CET (9 a.m. GMT), Vestas will host an analyst and investor meeting via a conference call. A presentation will be available at www.vestas.com/en/investor before the conference call. The telephone numbers for the conference call are:

Europe: +44 333 300 0804
USA: +1 631 913 1422
Denmark: +45 3544 5577
Conference PIN code: 33373759#

Contact details

Vestas Wind Systems A/S, Denmark

Investors/analysts:

Patrik Setterberg, Vice President
Investor Relations
Tel: +45 6122 1913

Mathias Dalsten, Specialist
Investor Relations
Tel: +45 2829 5383

Media:

Anders Riis, Senior Director
Communications
Tel: +45 4181 3922

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