

# Årsrapport 2021/22

## Annual report 2021/22

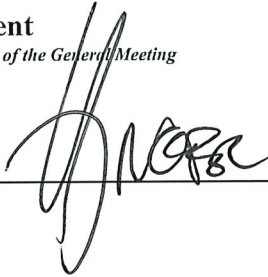
Godkendt på selskabets generalforsamling, den 23. marts 2023

*The Annual General Meeting adopted the annual report on 23 March 2023*

**Dirigent**

*Chairman of the General Meeting*

23/3/23



Emerson Automation Solutions, Marine Solutions  
Damcos Holding A/S  
CVR-nr. 28 12 79 44  
Central Business Registration No: 28 12 79 44

Aaderupvej 41  
DK-4700 Naestved  
Denmark



**EMERSON.**  
Process Management

## Indholdsfortegnelse

*Contents*

	<b>Side</b>
	<b><u>Page</u></b>
Selskabsoplysninger <i>Company details</i>	2
Ledelsespåtegning <i>Statement by Management on the annual report</i>	3
Den uafhængige revisors revisionspåtegning <i>Independent auditors' report</i>	4
Ledelsesberetning <i>Management's review</i>	9
Anvendt regnskabspraksis <i>Accounting policies</i>	11
Resultatopgørelse for 2021/22 <i>Income statement for 2021/22</i>	16
Balance pr. 30. september 2022 <i>Balance sheet at 30 September 2022</i>	17
Egenkapitalopgørelse for 2021/22 <i>Statement of changes in equity for 2021/22</i>	19
Noter <i>Notes</i>	20

**Den engelske tekst i dette dokument er en uautoriseret oversættelse af det danske originaldokument. I tilfælde af uoverensstemmelser er den danske udgave gældende.**

*The English text in this document is an unauthorized translation of the Danish original. In the event of any inconsistencies, the Danish version shall apply.*

**Vær opmærksom på, at det danske decimalsystem er brugt i denne årsrapport.**

*Please note that the Danish digit and grouping symbols have been used in this annual report.*

## **Selskabsoplysninger**

### **Selskab**

Damcos Holding A/S  
Aaderupvej 41  
4700 Næstved  
CVR-nr.: 28 12 79 44  
Hjemstedskommune: Næstved

Telefon: 55 78 72 00  
Telefax: 55 78 72 72

### **Bestyrelse**

Jakob Nørr, formand  
Matthew Sweeney  
Erick Morales

### **Direktion**

Erick Morales

### **Revision**

KPMG Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 København Ø

## ***Company details***

### ***Company***

*Damcos Holding A/S  
Aaderupvej 41  
DK-4700 Næstved  
Central Business Registration No: 28 12 79 44  
Registered in: Næstved*

*Phone: +45 55 78 72 00  
Fax: +45 55 78 72 72*

### ***Supervisory Board***

*Jakob Nørr, Chairman  
Matthew Sweeney  
Erick Morales*

### ***Executive Board***

*Erick Morales*

### ***Company auditors***

*KPMG Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK - 2100 København Ø*

## Ledelsespåtegning

Vi har dags dato aflagt årsrapporten for regnskabsåret 1. oktober 2021 til 30. september 2022 for Damcos Holding A/S.

Årsrapporten er aflagt i overensstemmelse med årsregnskabsloven. Vi anser den valgte regnskabspraksis for hensigtsmæssig, således at årsrapporten giver et retvisende billede af selskabets aktiver, passiver, finansielle stilling pr. 30. september 2022 samt resultatet af selskabets aktiviteter for regnskabsåret 1. oktober 2021 til 30. september 2022.

Det er endvidere vores opfattelse, at ledelsesberetningen indeholder en retvisende redegørelse for udviklingen i selskabets aktiviteter og økonomiske forhold, årets resultat og af selskabets finansielle stilling.

Årsrapporten indstilles til generalforsamlingens godkendelse.

Næstved, den 23. marts 2023  
Næstved, 23 March 2023

### Direktion


*Executive Board*



Erick Morales  
administrerende direktør  
*Executive Director*

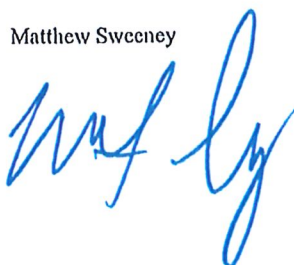
### Bestyrelse

*Supervisory Board*

23-3-23  


Jakob Nør  
formand  
*Chairman*

Matthew Sweeney



## Statement by Management on the annual report

*We have today presented the annual report of Damcos Holding A/S for the financial year 1 October 2021 to 30 September 2022.*

*The annual report has been presented in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the annual report to provide a true and fair view of the company's financial position at 30 September 2022 as well as the result of the company's activities for the financial year 1 October 2021 to 30 September 2022.*

*It is our view that the Management review includes a fair review of developments in the company's activities and financial conditions, net profit and the company's financial position.*

*We recommend the annual report for adoption at the Annual General Meeting.*



Erick Morales

## Den uafhængige revisors revisionspåtegning

Til kapitalejeren i Damcos Holding A/S

### Konklusion

Vi har revideret årsregnskabet for Damcos Holding A/S for regnskabsåret 1. oktober 2021 – 30. september 2022, der omfatter resultatopgørelse, balance og noter, herunder anvendt regnskabspraksis. Årsregnskabet udarbejdes efter årsregnskabsloven.

Det er vores opfattelse, at årsregnskabet giver et retvisende billede af virksomhedens aktiver, passiver og finansielle stilling pr. 30. september 2022 samt af resultatet af virksomhedens aktiviteter for regnskabsåret 1. oktober 2021 – 30. september 2022 i overensstemmelse med årsregnskabsloven.

### Grundlag for konklusion

Vi har udført vores revision i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark. Vores ansvar ifølge disse standarder og krav er nærmere beskrevet i revisionspåtegningens afsnit "Revisors ansvar for revisionen af årsregnskabet".

Vi er uafhængige af virksomheden i overensstemmelse med International Ethics Standards Board for Accountants' internationale retningslinjer for revisors etiske adfærd (IESBA Code) og de yderligere etiske krav, der er gældende i Danmark, ligesom vi har opfyldt vores øvrige etiske forpligtelser i henhold til disse krav og IESBA Code.

Det er vores opfattelse, at det opnåede revisionsbevis er tilstrækkeligt og egnet som grundlag for vores konklusion.

## Independent auditor's report

To the shareholder of Damcos Holding A/S

### Opinion

*We have audited the financial statements of Damcos Holding A/S for the financial year 1 October 2021 – 30 September 2022 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 30 September 2022 and of the results of the Company's operations for the financial year 1 October 2021 – 30 September 2022 in accordance with the Danish Financial Statements Act.*

### 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and 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.*

## Den uafhængige revisors revisionspåtegning

### Ledelsens ansvar for årsregnskabet

Ledelsen har ansvaret for udarbejdelsen af et årsregnskab, der giver et retvisende billede i overensstemmelse med årsregnskabsloven. Ledelsen har endvidere ansvaret for den interne kontrol, som ledelsen anser for nødvendig for at udarbejde et årsregnskab uden væsentlig fejlinformation, uanset om denne skyldes besvigelser eller fejl.

Ved udarbejdelsen af årsregnskabet er ledelsen ansvarlig for at vurdere virksomhedens evne til at fortsætte driften; at oplyse om forhold vedrørende fortsat drift, hvor dette er relevant; samt at udarbejde årsregnskabet på grundlag af regnskabsprincippet om fortsat drift, medmindre ledelsen enten har til hensigt at likvidere virksomheden, indstille driften eller ikke har andet realistisk alternativ end at gøre dette.

### Revisors ansvar for revisionen af årsregnskabet

Vores mål er at opnå høj grad af sikkerhed for, om årsregnskabet som helhed er uden væsentlig fejlinformation, uanset om denne skyldes besvigelser eller fejl, og at afgive en revisionspåtegning med en konklusion. Høj grad af sikkerhed er et højt niveau af sikkerhed, men er ikke en garanti for, at en revision, der udføres i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark, altid vil afdække væsentlig fejlinformation, når sådan findes. Fejlinformationer kan opstå som følge af besvigelser eller fejl og kan betragtes som væsentlige, hvis det med rimelighed kan forventes, at de enkeltvis eller samlet har indflydelse på de økonomiske beslutninger, som regnskabsbrugerne træffer på grundlag af årsregnskabet.

Som led i en revision, der udføres i overensstemmelse med internationale standarder om revision og de yderligere krav, der er gældende i Danmark, foretager vi faglige vurderinger og opretholder professionel skepsis under revisionen. Herudover

## *Independent auditor's report*

### *Management's responsibility for the financial*

*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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

*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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also*

## Den uafhængige revisors revisionspåtegning

— identificerer og vurderer vi risikoen for væsentlig fejlinformation i årsregnskabet, uanset om denne skyldes besvigelser eller fejl, udformer og udfører revisionshandlinger som reaktion på disse risici samt opnår revisionsbevis, der er tilstrækkeligt og egnet til at danne grundlag for vores konklusion. Risikoen for ikke at opdage væsentlig fejlinformation forårsaget af besvigelser er højere end ved væsentlig fejlinformation forårsaget af fejl, idet besvigelser kan omfatte sammensværgelser, dokumentfalsk, bevidste udeladelser, vildledning eller tilsidesættelse af intern kontrol.

— opnår vi forståelse af den interne kontrol med relevans for revisionen for at kunne udforme revisionshandlinger, der er passende efter omstændighederne, men ikke for at kunne udtrykke en konklusion om effektiviteten af virksomhedens interne kontrol.

— tager vi stilling til, om den regnskabspraksis, som er anvendt af ledelsen, er passende, samt om de regnskabsmæssige skøn og tilknyttede oplysninger, som ledelsen har udarbejdet, er rimelige.

— konkluderer vi, om ledelsens udarbejdelse af årsregnskabet på grundlag af regnskabsprincippet om fortsat drift er passende, samt om der på grundlag af det opnåede revisionsbevis er væsentlig usikkerhed forbundet med begivenheder eller forhold, der kan skabe betydelig tvivl om virksomhedens evne til at fortsætte driften. Hvis vi konkluderer, at der er en væsentlig usikkerhed, skal vi i vores revisionspåtegning gøre opmærksom på oplysninger herom i årsregnskabet eller, hvis sådanne oplysninger ikke er tilstrækkelige, modificere vores konklusion. Vores konklusioner er baseret på det revisionsbevis, der er opnået frem til datoen for vores revisionspåtegning. Fremtidige begivenheder eller forhold kan dog medføre, at virksomheden ikke længere kan fortsætte driften.

## *Independent auditor's report*

— *identify and assess the risks of material misstatement of the company 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.*

## Den uafhængige revisors revisionspåtegning

— tager vi stilling til den samlede præsentation, struktur og indhold af årsregnskabet, herunder noteoplysningerne, samt om årsregnskabet afspejler de underliggende transaktioner og begivenheder på en sådan måde, at der gives et retvisende billede heraf.

Vi kommunikerer med den øverste ledelse om bl.a. det planlagte omfang og den tidsmæssige placering af revisionen samt betydelige revisionsmæssige observationer, herunder eventuelle betydelige mangler i intern kontrol, som vi identificerer under revisionen.

### Udtalelse om ledelsesberetningen

Ledelsen er ansvarlig for ledelsesberetningen.

Vores konklusion om årsregnskabet omfatter ikke ledelsesberetningen, og vi udtrykker ingen form for konklusion med sikkerhed om ledelsesberetningen.

I tilknytning til vores revision af årsregnskabet er det vores ansvar at læse ledelsesberetningen og i den forbindelse overveje, om ledelsesberetningen er væsentligt inkonsistent med årsregnskabet eller vores viden opnået ved revisionen eller på anden måde synes at indeholde væsentlig fejlinformation.

## *Independent auditor's report*

— *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.*

*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.*

### *Statement on the Management's review*

*Management is responsible for the Management's review.*

*Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.*



## Den uafhængige revisors revisionspåtegning

Vores ansvar er derudover at overveje, om ledelsesberetningen indeholder krævede oplysninger i henhold til årsregnskabsloven.

Baseret på det udførte arbejde er det vores opfattelse, at ledelsesberetningen er i overensstemmelse med årsregnskabet og er udarbejdet i overensstemmelse med årsregnskabslovens krav. Vi har ikke fundet væsentlig fejlinformation i ledelsesberetningen.

## *Independent auditor's report*

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

*Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.*

København, den 23. marts 2023  
*Copenhagen, 23 March 2023*

### **KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR-nr.: 25578198



Kenn W. Hansen  
statsaut. revisor  
*State Authorized Public Accountant*  
mne 30154

## Ledelsesberetning

### Virksomhedens væsentligste aktivitet

Damcos Holding A/S' væsentligste aktivitet er et 100% ejerskab af Damcos A/S med tilhørende datterselskaber.

### Udviklingen i aktiviteter og økonomiske forhold

#### Årets resultat

Årets resultat efter skat udgør 107,3 mio. kr. mod 40,2 mio. kr. i 2020/21. I 2021/22 blev der udbetalt udbytte på 190,0 mio. kr. fra Damcos A/S, hvilket påvirkede årets resultat positivt. Dog indgår TDKK 82.467 som afgang i anskaffelsessummen på datterselskabet. Resultat er desuden påvirket af rente indtægter og udgifter, der udgør en udgift på netto 0,1 mio. kr. mod en indtægt på 0,5 mio. kr. i 2020/21.

Ledelsen anser årets resultat for tilfredsstillende.

#### Datterselskaber

Damcos Holding A/S er moderselskab for Damcos A/S, som har operative datterselskaber i Korea og Kina.

#### Kapitalberedskab

Selskabets egenkapital udgør 273,3 mio. kr. pr. 30. september 2022 (2021: 696,1 mio. kr. ) svarende til en soliditetsgrad på 99,9% (2021: 99,9%).

#### Forventninger til fremtiden

Det er ledelsens forventning, at aktiviteten i datterselskabet på markedet vil stige i 2022, men politisk ustabilitet og protektionistiske tiltag kan virke hæmmende. Virksomheden står økonomisk stærkt og er rustet, såfremt aktiviteten falder igen. Virksomheden tilpasser løbende omkostninger til den nye markedssituation og investerer løbende i ny teknologi. Sammenlagt vil det betyde, at der forventes en fortsat sund indtjening på samme niveau som sidste år.

## Management's review

### Primary activity for the company

*Damcos Holding A/S' primary activity is the 100% ownership of Damcos A/S including subsidiaries.*

### Development in activities and finances

#### Profit for the year

*Profit after tax is DKK 107,3 million against DKK 40,2 million in 2020/21. In 2021/22 there was a dividend payment of DKK 190,0 million from Damcos A/S affecting profit positively. However, TDKK 82,467 is included as a deduction in the acquisition cost of the subsidiary. The result this year is also influenced by net interest expense DKK 0,1 million against an income DKK 0,5 million in 2020/21.*

*Management considers the performance for the year satisfactory.*

#### Subsidiaries

*Damcos Holding A/S is the parent company for Damcos A/S which has operating subsidiaries in Korea and China.*

#### Capital resources

*The Company's equity amounts to DKK 273,3 million at 30 September 2022 (2021: DKK 696,1 million) representing an equity ratio of 99.9% (2021: 99.9%).*

#### Outlook

*It is Management's expectation that the market activity in the subsidiary will increase in 2022, however, it may be inhibited by political uncertainty and protectionism. The Company is financially strong and prepared if the activity decreases again. The company continues to adjust costs to the new market situation and to invest in new technology. Overall, a continued good margin is expected at the same level as last year.*

## Ledelsesberetning

### Særlige risici

#### Generelle risici

Den væsentligste driftsrisiko i dattervirksomheden er knyttet til den globale efterspørgsel efter skibe – og i særdeleshed til kontraheringsaktiviteten.

Industrien er fortsat ramt som følge af COVID19 og følgerne heraf. Der vil formentlig gå nogle år, før der kommer balance i udbud og efterspørgsel på markedet.

#### Finansielle risici

Selskabet er som følge af sin soliditet og sit finansielle beredskab kun begrænset eksponeret over for ændringer i renteniveaue.

Selskabets operative datterselskaber er eksponeret over for valutarisici, særligt i relation til transaktioner i USD.

Damcos A/S anvender afledte finansielle instrumenter internt i Emerson koncernen til styring af finansielle risici, som opstår i forbindelse med drift, finansiering og investeringsaktiviteter.

#### Begivenheder efter regnskabsårets afslutning

Der er ingen væsentlige begivenheder efter regnskabsårets afslutning.

## Management's review

### Particular risks

#### General risks

*The most significant operating risk in the subsidiary relates to the global demand for ships – particularly the contracting activity.*

*The industry continues to be affected by COVID19 and its aftermath. It will probably take some years before there is a balance in supply and demand in the market.*

#### Financial exposure

*Due to its equity ratio and financial resources, the Company is only exposed to changes in the interest rate level to a limited extent.*

*The Company's operating subsidiaries are exposed to currency risks, particularly in relation to transactions in USD.*

*Damcos A/S uses Emerson internal derivative financial instruments to control financial exposure that arise in connection with operating, financing and investing activities.*

#### Events after end of financial year

*There are no significant events after the end of financial year.*

## Anvendt regnskabspraksis

### Generelt

Årsrapporten for Damcos Holding A/S for 2021/22 er aflagt i overensstemmelse med bestemmelserne i årsregnskabsloven for regnskabsklasse B med tilvalg af enkelte bestemmelser fra regnskabsklasse C.

Årsregnskabet er aflagt efter samme regnskabspraksis som sidste år.

Under henvisning til årsregnskabslovens §112 udarbejdes der ikke koncernregnskab. Årsregnskabet for moderselskabet og de tilknyttede virksomheder indgår i koncernregnskabet for Emerson Electric Co., St. Louis, USA.

### Generelt om indregning og måling

Aktiver indregnes i balancen, når det er sandsynligt, at fremtidige økonomiske fordele vil tilflyde selskabet, og aktivets værdi kan måles pålideligt. Forpligtelser indregnes i balancen, når det er sandsynligt, at fremtidige økonomiske fordele vil fragå selskabet, og forpligtelsens værdi kan måles pålideligt.

Ved første indregning måles aktiver og forpligtelser til kostpris. Efterfølgende måles aktiver og forpligtelser som beskrevet for hvert enkelt regnskabsselement nedenfor.

Visse finansielle aktiver og forpligtelser måles til amortiseret kostpris, hvorved der indregnes en konstant effektiv rente over løbetiden. Amortiseret kostpris opgøres som oprindelig kostpris med fradrag af eventuelle afdrag samt tillæg/fradrag af den akkumulerede amortisering af forskellen mellem kostpris og nominelt beløb.

Ved indregning og måling tages hensyn til gevinster, tab og risici, der fremkommer, inden årsrapporten aflægges, og som be- eller afkræfter forhold, der eksisterede på balancedagen.

## Accounting policies

### Basis of accounting

*The annual report for Damcos Holding A/S for 2021/22 has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with opt-in of specific provisions for reporting class C.*

*The annual report has been prepared after same accounting practice as last year.*

*According to the Danish Financial Statements Act section 112 the consolidated financial statements have not been prepared. The annual report for the parent company and subsidiaries is part of the consolidated financial statement of Emerson Electric Co., St. Louis, USA.*

### Recognition and measurement

*Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the assets can be measured reliably. Liabilities are recognized in the balance sheet when it is likely that future economic advantages will outflow from the company and the liability can be measured reliably.*

*On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.*

*Certain financial assets and liabilities are measured at amortized cost which involves the recognition of a constant effective interest rate over their maturity. Amortized cost is calculated as original cost less any repayments and with addition/deduction of the accumulated amortization of any difference between cost and nominal value.*

*Profits, losses and risks that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.*

## **Anvendt regnskabspraksis**

Indtægter indregnes i resultatopgørelsen i takt med, at de indtjenes, herunder indregnes værdireguleringer af finansielle aktiver og forpligtelser, der måles til dagsværdi eller amortiseret kostpris. Endvidere indregnes omkostninger, der er afholdt for at opnå årets indtjening, herunder afskrivninger, nedskrivninger og hensatte forpligtelser samt tilbageførsler som følge af ændrede regnskabsmæssige skøn af beløb, der tidligere har været indregnet i resultatopgørelsen.

### **Omregning af fremmed valuta**

Transaktioner i fremmed valuta omregnes ved første indregning til transaktionsdagens valutakurs. Kursdifferencer, der opstår mellem transaktionsdagens og betalingsdagens kurs, indregnes i resultatopgørelsen som finansielle poster.

Aktiver og passiver i fremmed valuta omregnes til valutakursen på statusdagen og for kurssikrede beløb til de aftalte kurser. Valutakursdifferencer som følge heraf indregnes i resultatopgørelsen under finansielle indtægter og omkostninger.

### **Resultatopgørelsen**

#### **Administrationsomkostninger**

I administrationsomkostninger indregnes omkostninger, der er afholdt i året til administration, herunder omkostninger til kontoromkostninger mv.

#### **Finansielle indtægter og omkostninger**

Finansielle indtægter og omkostninger indeholder renter, kursgevinster og -tab vedrørende transaktioner i fremmed valuta samt tillæg og godtgørelser under acontoskatteordningen mv.

## ***Accounting policies***

*Income is recognized in the income statement when earned, including recognition of value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. The income statement also includes costs incurred to earn revenue for the year, including depreciation, amortization, impairment losses, provisions and reversals due to changed accounting estimates of amounts previously recognized.*

### ***Translation of foreign currency***

*On initial recognition, foreign currency transactions are translated at the exchange rates at the transaction date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date are recognized in the income statement as financial income or financial expenses.*

*Assets and liabilities in foreign currencies are translated using the exchange rate at the balance sheet date and hedged amounts are translated at the agreed exchange rates. Exchange differences deriving from this are recognized in the income statement under financial income and expenses.*

### ***Income statement***

#### ***Administrative expenses***

*Administrative expenses comprise expenses incurred during the year for administration, including office expenses etc.*

#### ***Financial income and expenses***

*Financial income and expenses comprise interest income and expenses, capital gains and losses on transactions denominated in foreign currencies as well as surcharges and repayments under the Danish Tax Prepayment Scheme etc.*

## Anvendt regnskabspraksis

Udbytte fra kapitalandele i dattervirksomheder indtægtsføres i resultatopgørelsen i det regnskabsår, hvor udbyttet deklarerer. I det omfang udlodtet udbytte overstiger den akkumulerede indtjening efter overtagelsestidspunktet, indregnes udbyttet dog som nedskrivning på kapitalandelens kostpris.

### Skat af årets resultat

Selskabet er administrationselskab i sambeskatningen for danske Emerson selskaber og afregner som følge heraf alle betalinger af dansk selskabsskat med skattemyndighederne.

Den aktuelle danske selskabsskat fordeles ved afregning af sambeskatningsbidrag mellem de sambeskattede virksomheder i forhold til disses skattepligtige indkomster. I tilknytning hertil modtager selskaber med skattemæssige underskud sambeskatningsbidrag fra virksomheder, der har kunnet anvende dette underskud til nedsættelse af eget skattemæssige overskud.

Årets skat, der består af årets sambeskatningsbidrag og ændring i udskudt skat, herunder som følge af ændring i skattesats, indregnes i resultatopgørelsen med den del, der kan henføres til årets resultat, og direkte i egenkapitalen med den del, der kan henføres til posteringer direkte i egenkapitalen.

## Balancen

### Finansielle anlægsaktiver

Kapitalandele i dattervirksomheder måles til kostpris. Hvor kostprisen overstiger genindvindingsværdien, nedskrives til denne lavere værdi. Kostprisen reduceres med modtaget udbytte, der overstiger den akkumulerede indtjening efter overtagelsestidspunktet.

### Tilgodehavender

Tilgodehavender måles til kostpris. Der nedskrives til imødegåelse af forventede tab.

## Accounting policies

*Dividends from investments in subsidiaries is recognized in the profit and loss account in the period in which dividends are declared. To the extent that the dividends exceed the accumulated earnings after the acquisition date, the dividends are recognized as depreciation of the investments' cost price.*

### Tax on profit for the year

*The Company is the administrative company in the joint taxation for Danish Emerson companies and consequently settles all payments of Danish corporation tax to the tax authorities.*

*The current Danish corporation tax is allocated by settlement of the joint taxation contribution between the jointly taxed companies in proportion to their taxable income. Accordingly, the companies with taxable losses receive joint taxation contribution from companies that have been able to use the losses to reduce their own taxable profit.*

*The tax for the year comprising the current corporation tax, the joint taxation contribution and changes in deferred tax – including changes as a consequence of change in tax rates – is recognised in the income statement with the share relating to the profit for the year and directly on the capital and reserves with the share relating to entries directly on the capital and reserves.*

## Balance sheet

### Fixed asset investments

*Investments in subsidiaries are measured at cost price. Where the cost exceeds its recoverable amount, written down to the lower value. The cost price is reduced by dividends received in excess of accumulated earnings after the acquisition date.*

### Receivables

*Receivables are measured at cost. Provision is made for bad debts.*

## Anvendt regnskabspraksis

### Egenkapital - Udbytte

Foreslået udbytte indregnes som en forpligtelse på tidspunktet for vedtagelse på den ordinære generalforsamling (deklareringstidspunktet). Udbytte, som forventes udbetalt for året, vises som en særskilt post under egenkapitalen.

### Selskabsskat og udskudt skat

Efter sambeskatningsreglerne overtager selskabet som administrationselskab hæftelsen over for skattemyndighederne i takt med modtagelse af sambeskatningsbidrag.

Aktuelle skatteforpligtelser og tilgodehavende aktuel skat indregnes i balancen som beregnet skat af årets skattepligtige indkomst, reguleret for skat af tidligere års skattepligtige indkomster samt for betalte acontoskatter.

Skyldige og tilgodehavende sambeskatningsbidrag indregnes i balancen under tilgodehavende eller gæld til tilknyttede virksomheder.

Udskudt skat måles efter den balanceorienterede gælds metode af alle midlertidige forskelle mellem regnskabsmæssig og skattemæssig værdi af aktiver og forpligtelser. I de tilfælde, hvor opgørelse af skatteværdien kan foretages efter forskellige beskatningsregler, måles udskudt skat på grundlag af den af ledelsen planlagte anvendelse af aktivet henholdsvis afvikling af forpligtelsen.

Udskudte skatteaktiver, herunder skatteværdien af fremførselsberettigede skattemæssige underskud, indregnes med den værdi, hvortil de forventes at blive anvendt, enten ved udligning i skat af fremtidig indtjening eller ved modregning i udskudte skatteforpligtelser inden for samme juridiske skatteenhed og jurisdiktion.

Der foretages regulering af udskudt skat vedrørende foretagne eliminerings af urealiserede koncerninterne avancer og tab.

## Accounting policies

### Equity – Dividends

*Proposed dividends are recognized as a liability at the time of adoption at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.*

### Corporation tax and deferred tax

*Under the joint taxation rules as the administrative company the Company takes over the liability in respect of the tax authorities for the corporation tax concurrently with the payment of the joint taxation contributions to the administrative company.*

*Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.*

*Current tax payable and receivable is recognised in the balance sheet as amounts owed by or to the affiliate.*

*Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.*

*Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.*

*Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.*

### **Anvendt regnskabspraksis**

Udskudt skat måles på grundlag af de skatteregler og skattesatser, der med balancedagens lovgivning vil være gældende, når den udskudte skat forventes udløst som aktuel skat.

### **Gældsforpligtelser**

Gældsforpligtelser måles til amortiseret kostpris, der sædvanligvis svarer til nettorealisationsværdi.

### ***Accounting policies***

*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.*

### ***Liabilities other than provisions***

*Financial liabilities are measured at amortized cost, which usually corresponds to net realisable value.*



**Resultatopgørelse for 2021/22***Income statement for 2021/22*

	<b>Note</b>	<b>2021/22</b> <b>DKK'000</b>	<b>2020/21</b> <b>DKK'000</b>
<b>Bruttoresultat</b> <i>Gross profit</i>		0	0
Administrationsomkostninger <i>Administrative expenses</i>		-180	-200
<b>Driftsresultat</b> <i>Operating profit</i>		<b>-180</b>	<b>-200</b>
Finansielle indtægter <i>Financial income</i>	2	107.687	40.493
Finansielle omkostninger <i>Financial expenses</i>	3	-291	0
<b>Resultat før skat</b> <i>Profit before tax</i>		<b>107.216</b>	<b>40.293</b>
Skat af årets resultat <i>Tax on profit for the year</i>	4	70	-68
<b>Årets resultat</b> <i>Net profit for the year</i>		<b><u>107.286</u></b>	<b><u>40.225</u></b>
<b>Forslag til resultatdisponering</b> <i>Proposed distribution of profit</i>			
Foreslået udbytte <i>Proposed dividend</i>		0	530.000
Overført til næste år <i>Retained earnings</i>		<u>107.286</u>	<u>-489.775</u>
		<b><u>107.286</u></b>	<b><u>40.225</u></b>

**Balance pr. 30. september 2022***Balance sheet at 30 September 2022*

	<u>Note</u>	<u>2021/22</u> <u>DKK'000</u>	<u>2020/21</u> <u>DKK'000</u>
Kapitalandele i dattervirksomhed <i>Investments in subsidiary</i>		248.303	330.770
<b>Finansielle anlægsaktiver</b> <i>Fixed asset investments</i>	5	<u>248.303</u>	<u>330.770</u>
<b>Anlægsaktiver</b> <i>Fixed assets</i>		<u>248.303</u>	<u>330.770</u>
Tilgodehavender hos tilknyttede virksomheder <i>Receivables from group enterprises</i>	6	12.091	358.246
Tilgodehavende samskatningsbidrag <i>Joint tax contribution receivables</i>		13.105	7.192
<b>Tilgodehavender</b> <i>Receivables</i>		<u>25.196</u>	<u>365.438</u>
<b>Omsætningsaktiver</b> <i>Current assets</i>		<u>25.196</u>	<u>365.438</u>
<b>Aktiver</b> <i>Assets</i>		<u><u>273.499</u></u>	<u><u>696.208</u></u>

**Balance pr. 30. september 2022***Balance sheet at 30 September 2022*

	<u>Note</u>	<u>2021/22</u> <u>DKK'000</u>	<u>2020/21</u> <u>DKK'000</u>
Aktiekapital <i>Share capital</i>		61.000	61.000
Foreslået udbytte <i>Proposed dividend</i>		0	530.000
Overført resultat <i>Retained earnings</i>		<u>212.339</u>	<u>105.053</u>
<b>Egenkapital i alt</b> <i>Total equity</i>		<u><b>273.339</b></u>	<u><b>696.053</b></u>
Anden gæld <i>Other payables</i>		<u>161</u>	<u>155</u>
<b>Kortfristede gældsforpligtelser</b> <i>Short-term liabilities other than provisions</i>		<u><b>161</b></u>	<u><b>155</b></u>
<b>Gældsforpligtelser</b> <i>Liabilities other than provisions</i>		<u><b>161</b></u>	<u><b>155</b></u>
<b>Passiver</b> <i>Equity and liabilities</i>		<u><b>273.500</b></u>	<u><b>696.208</b></u>
Eventualforpligtelser <i>Contingent liabilities</i>	7		
Nærtstående parter <i>Related parties</i>	8		

## Egenkapitalopgørelse for 2021/22

Statement of changes in equity for 2021/22

	Aktie- kapital <i>Share capital</i>	Overført resultat <i>Retained earnings</i>	Foreslået udbytte <i>Proposed dividend</i>	Egen- kapital i alt <i>Total equity</i>
	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>	<u>DKK'000</u>
<b>Saldo 1. oktober 2020</b>	<u>61.000</u>	<u>594.828</u>	<u>0</u>	<u>655.828</u>
<i>Balance at 1 October 2020</i>				
Årets resultat	0	-489.775	530.000	40.225
<i>Net profit for the year</i>				
<b>Saldo 30. september 2021</b>	<u>61.000</u>	<u>105.053</u>	<u>530.000</u>	<u>696.053</u>
<i>Balance at 30 September 2021</i>				
Årets resultat	0	107.286	-530.000	-422.714
<i>Net profit for the year</i>				
<b>Saldo 30. september 2022</b>	<u>61.000</u>	<u>212.339</u>	<u>0</u>	<u>273.339</u>
<i>Balance at 30 September 2022</i>				

Aktiekapitalen består af 61 mio. aktier af 1 kr.

*The share capital consists of 61 million shares at DKK 1.*

### Bevægelser på aktiekapitalen

*Changes in share capital*

Der har ikke været bevægelser på selskabskapitalen de seneste 5 år.

*There have been no changes in share capital over the past 5 years.*

**Noter***Notes*

	<u>2021/22</u> <u>DKK'000</u>	<u>2020/21</u> <u>DKK'000</u>
<b>1 Personaleomkostninger</b>		
<i>Staff costs</i>		
Der har ikke været ansatte i selskabet i 2021/22 (2020/21 : 0)		
<i>There have been no employees in 2021/22 (2020/21: 0)</i>		
<b>2 Finansielle indtægter</b>		
<i>Financial income</i>		
Renteindtægter og andre finansielle indtægter	40	149
<i>Interest income and other financial income</i>		
Renteindtægter fra tilknyttede virksomheder	114	344
<i>Interest income from group enterprises</i>		
Udbytte fra dattervirksomhed	<u>107.533</u>	<u>40.000</u>
<i>Dividend from subsidiary</i>		
	<u><b>107.687</b></u>	<u><b>40.493</b></u>
<b>3 Finansielle omkostninger</b>		
<i>3. Financial expenses</i>		
Renteomkostninger og andre finansielle omkostninger	<u>291</u>	<u>0</u>
<i>Interest expenses and other financial expenses</i>		
	<u><b>291</b></u>	<u><b>0</b></u>
<b>4 Skat af årets resultat</b>		
<i>Tax on profit for the year</i>		
Sambeskatningsbidrag	-70	64
<i>Joint tax contribution</i>		
Regulering af skat tidligere år	<u>0</u>	<u>4</u>
<i>Adjustment of tax concerning previous years</i>		
	<u><b>-70</b></u>	<u><b>68</b></u>

## Noter

Notes

	<b>Kapital- andele i datter- virksom- hed</b> <i>Investments in subsidiary</i> <b>DKK'000</b>
<b>5 Finansielle anlægsaktiver</b>	
<i>Fixed asset investments</i>	
Kostpris 1. oktober 2021	330.770
<i>Cost at 1 October 2021</i>	
Afgang	-82.467
<i>Disposals</i>	
<b>Kostpris 30. september 2022</b>	<b>248.303</b>
<i>Cost at 30 September 2022</i>	
<b>Regnskabsmæssig værdi 30. september 2022</b>	<b>248.303</b>
<i>Carrying amount at 30 September 2022</i>	
Regnskabsmæssig værdi 30. september 2021	330.770
<i>Carrying amount at 30 September 2021</i>	

Navn <i>Name</i>	Hjemsted <i>Registered office</i>	Stemme- og ejerandel <i>Voting, shares and ownership</i>	Egenkapital <i>Equity</i> <b>DKK'000</b>	Årets resultat <i>Profit/loss for the year</i> <b>DKK'000</b>
Damcos A/S	Næstved	100%	248.303	45.717

Oplysning om egenkapital samt årets resultat er fra det seneste offentliggjorte regnskab fra dattervirksomheden.

*Information on equity and net profit is from the latest published financial statements of the subsidiary.*

## 6 Tilgodehavender hos tilknyttede virksomheder

*Receivables from group enterprises*

Tilgodehavender hos tilknyttede virksomheder består af indestående på Emerson koncernens cash pool.

*Receivables from group enterprises consist of deposit on the Emerson Group cash pool.*

## 7 Eventualforpligtelser

*Contingent liabilities*

Damcos Holding A/S er sambeskattet med øvrige danske datterselskaber af Emerson Electric Co. Selskabet er administrationsselskab for sambeskatningen og hæfter som administrationsselskab ubegrænset og solidarisk med de sambeskattede danske selskaber for danske kildeskatter, renter og royalties inden for sambeskatningskredsen.

*Damcos Holding A/S is jointly taxed with other Danish subsidiaries of Emerson Electric Co. The Company is the administrative company for the joint taxation and has as administrative Company joint and several unlimited liability for Danish withholding taxes on dividends, interest and royalties within the joint taxation.*

Der påhviler herudover ikke selskabet eventualforpligtelser.

*The Company has no other contingent liabilities beside the above.*

## Noter

Notes

### 8 Nærtstående parter

Related parties

#### Nærtstående parter med bestemmende indflydelse

Related parties with a controlling interest

Følgende parter har bestemmende indflydelse på Damcos Holding A/S:

The following related parties have a controlling interest in Damcos Holding A/S:

Navn <i>Name</i>	Hjemsted <i>Registered office</i>	Grundlag for indflydelse <i>Basis of influence</i>
Emerson Electric Nederland B.V.	1000 CV Amsterdam	100% ejer af aktiekapital <i>100% majority shareholder</i>
Emerson Electric Co.	St. Louis, USA	Ultimativt moderselskab hvor koncernregnskabet ligeledes kan rekvireres. <i>Ultimate parent company from where the consolidated financial statements can also be obtained.</i>

#### Transaktioner med nærtstående parter i regnskabsåret

Related party transactions in the financial year

Der har i regnskabsåret været følgende transaktioner mellem Damcos Holding A/S og nærtstående parter:

Damcos Holding A/S has had the following transactions with related parties in the financial year:

Navn <i>Name</i>	Grundlag for indflydelse <i>Basis of influence</i>	Art og omfang af transaktioner <i>Nature and scope of transactions</i>
Damcos A/S	Datterselskab <i>Subsidiary</i>	Finansiell mellemregning <i>Intercompany loan</i>
Damcos A/S	Datterselskab <i>Subsidiary</i>	Udbytte <i>Dividend</i>



# Damcos Holding A/S

**Long-form audit report dated 23 March  
2023**

**in respect of the financial statements for 2021/22**





## Contents

1	Conclusion regarding the audit of the financial statements for 2021/22	75
1.1	Introduction	75
1.2	Objective, planning and conduct of the audit	75
1.3	Conclusion regarding the audit	75
2	Risk assessment, audit strategy and plan	76
2.1	Risk assessment	76
2.2	Audit strategy and plan	77
3	Comments relating to the audit of the financial statements	78
3.1	Accounting policies	78
3.2	Exemption from the obligation to prepare consolidated financial statements	78
3.3	Investments in subsidiary	78
3.4	Receivables from Group entities	79
3.5	Taxation	79
3.6	Contingent liabilities	80
3.7	Risk of material misstatement due to fraud	80
3.8	Related parties	81
3.9	Uncorrected misstatements	81
3.10	Events after the balance sheet date	81
4	Management's review	82
5	Other audit procedures	82
5.1	Representation letter	82
5.2	Compliance with legislation	82
6	Other disclosures	83
6.1	Other relevant information	83
6.2	The Board of Directors' duties	83
6.3	Statutory disclosures	84



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

# 1 Conclusion regarding the audit of the financial statements for 2021/22

## 1.1 Introduction

As auditor of the Company, we have audited the draft financial statements of Damcos Holding A/S for 2021/22 presented by the Executive Board, prepared in accordance with the Danish Financial Statements Act. In addition to our audit, we have read the Management's review.

The financial statements show the following key figures:

DKK'000	2021/22	2020/21
Profit for the year	107,286	40,225
Total assets	273,499	696,208
Equity	273,339	696,053

No dividend is proposed based on the financial statements for 2021/22 (2020/21: DKK 530,000 thousand).

Our long-form audit report has been prepared solely for the use of the Board of Directors and should not be used by any other party or for any other purpose.

## 1.2 Objective, planning and conduct of the audit

The objective and scope of the audit and the responsibility for the financial reporting are outlined in our engagement letter dated 27 September 2022.

Our audit of the financial statements for 2021/22 has been performed accordingly and in accordance with International Standards on Auditing and additional requirements under Danish audit regulation.

## 1.3 Conclusion regarding the audit

If the Board of Directors approves the annual report in its present form, and provided no new material information is brought to our attention during the Board of Directors' discussion and approval of the annual report, we will issue an unqualified auditor's report with no emphasis of matter on the financial statements and a statement with no comments on the Management's review.



## 2 Risk assessment, audit strategy and plan

### 2.1 Risk assessment

In order to obtain an understanding and knowledge of the Company's operations, industry and other matters and to assess the risk of material misstatement in the financial statements, we have obtained information on and descriptions of the Company's

- goals and strategies
- risk management and policies
- organisation, including management supervision and segregation of duties in significant areas
- business procedures and internal control
- accounting policies and significant accounting estimates
- use of IT and accounting systems, etc.

Moreover, we have discussed with Management the expectations of the Company's financial development for 2021/22 and 2022/23 and read the Board of Directors' meeting minutes.

#### 2.1.1 Significant risk of material misstatement in the financial statements and other focus areas

We have discussed with Management the risk of material misstatement in the financial statements and the internal control systems implemented by Management to prevent, detect and correct misstatements.

In this connection, we assessed the Company's entity level controls and internal controls related to significant financial statement captions.

Based on our discussions with Management and our knowledge of the Company's operations, industry and other matters, we have identified the following audit objectives for our audit of the financial statements:

Financial statement caption	Audit focus
• Investment in subsidiaries	• Valuation
• Receivables	• Existence and accuracy
• Debt	• Completeness and accuracy
• Joint taxation	• Accuracy and presentation
• Related party transactions	• Contractual basis, completeness and presentation



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

### 2.1.2 Risk of fraud

As auditors, we are required to maintain an attitude of professional scepticism throughout the audit, recognising the possibility of misstatement of the financial statements. Accordingly, we have planned our audit to identify material misstatements due to fraud.

In accordance with International Standards on Auditing, it is always presumed that Management in general is in a position to commit fraud because of its ability to manipulate accounting records and prepare misleading fraudulent financial reporting by overriding controls which, otherwise, appear to be working effectively. We have discussed the risk of fraud with Management.

Irrespective of the auditor's assessment of the risks of management override of controls, it is required that the auditor design and perform audit procedures to test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.

Apart from Management's ability to override controls, we did not identify any risk of significant errors due to fraud.

## 2.2 Audit strategy and plan

Based on the assessed risks of material misstatement in the financial statements, we have developed our overall audit strategy and plan for 2021/22.

### *Audit strategy*

The audit strategy determines the overall scope, timing and focus of the audit. The audit strategy ensures that the audit is focused on the most significant areas and areas associated with the highest risk of importance to the financial statements.

### *Audit plan*

Based on the overall audit strategy, we have prepared an audit plan for the purpose of reducing the risk of material misstatement in the financial statements to an acceptably low level.

The audit plan determines the nature, timing and scope of the planned audit.

Based on our risk assessment, the audit will be focused on the financial statement captions described in Section 2.1.1. In other areas, where the risk of material misstatements in the financial statements is considered lower, the extent of the audit will be less comprehensive.



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

### **3 Comments relating to the audit of the financial statements**

#### **3.1 Accounting policies**

The financial statements for 2021/22 have been prepared in accordance with the provisions applying to class B entities under the Danish Financial Statements Act.

The accounting policies, which are unchanged compared to last year, are disclosed in the financial statements.

#### **3.2 Exemption from the obligation to prepare consolidated financial statements**

Pursuant to the exemption clause for sub-groups in section 112 of the Danish Financial Statements Act, the annual report of Damcos Holding A/S does not comprise consolidated financial statements, as the financial statements of Damcos Holding A/S are included in the consolidated financial statements of Emerson Electric Co., St. Louis, USA.

One of the conditions for omitting to prepare consolidated financial statements for Damcos Holding A/S is that the consolidated financial statements of Emerson Electric Co. are submitted to the Danish Business Authority together with the annual report of Damcos Holding A/S.

It is Management's opinion that the approved consolidated financial statements of Emerson Electric Co. will be available and that they will be submitted to the Danish Business Authority together with the annual report of Damcos Holding A/S immediately after the annual general meeting so that the condition is met.

If the approved consolidated financial statements of Emerson Electric Co., St. Louis, USA. are not available at the annual general meeting of Damcos Holding A/S, Management will ensure that the annual report of Damcos Holding A/S is not approved at the annual general meeting and is not submitted to the Danish Business Authority in the present form. Instead, Management will present an annual report that includes consolidated financial statements for the shareholders' approval at the annual general meeting.

#### **3.3 Investments in subsidiary**

Investments in the subsidiary, Damcos A/S are initially measured at cost. If this amount exceeds the recoverable amount, the carrying amount is written down accordingly.

In 2021/22, Damcos A/S realised a profit for the year of DKK 45,717 thousand (2020/21: DKK 27,589 thousand) and equity at 30 September 2022 amounted to DKK 248,303 thousand (30 September 2021: DKK 392,586 thousand).

In 2021/22 dividend of DKK 190,000 thousand has been received from Damcos A/S where of DKK 107,533 thousand has been recognised as financial income and DKK



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

82,467 thousand recognised as a disposal of investments in subsidiary as the cost price is reduced by dividends received in excess of accumulated earnings after the acquisition date.

Management has assessed whether indications of impairment exist, and in Management's opinion, this is not the case. Consequently, no detailed impairment tests have been prepared.

We have compared the carrying amount of the investment in Damcos A/S to the audited financial statements for 2021/22 and the expectations for 2022/23. On that basis, we agree with Management that no indications of impairment exist and we concur with the accounting treatment.

### **3.4 Receivables from Group entities**

The Company's receivables from Group entities amount to DKK 12,091 thousand (2020/21: DKK 358,246 thousand).

We concur with the accounting treatment.

### **3.5 Taxation**

The audit of the financial statements was not directly aimed at the computation of taxable income, including verifying that all items have been treated correctly for tax purposes.

Damcos Holding A/S is the administration company for the Danish joint taxation for all Danish companies in the Emerson Group. The audit of the financial statements was planned to comply with the audit provisions contained in Danish auditing legislation and is, therefore, not directly aimed at the computation of taxable income or at verifying that all items have been treated correctly for tax purposes.

#### **3.5.1 Current tax**

As part of our audit procedures, we reviewed the Company's tax computation. During the review, we assessed whether current tax legislation has been complied with in general. We have no significant comments on the computation.

The tax computation for the financial year 2021/22 has been prepared by the Company in cooperation with PwC.

Tax for the year is recognised at an income of DKK 70 thousand.

We have overall assessed whether current tax legislation has been complied with. The work performed did not give rise to significant comments.

#### **3.5.2 Transfer pricing**

In Denmark, it is laid down by law that the statutory transfer pricing documentation (consisting of a "Master File", which is typically prepared by the Group's Parent Company and a "Local File" which includes specific information on the Company) must be available no later than the point in time when the income tax return is submitted to the Danish tax



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

authorities. The documentation must be preserved in accordance with the Danish Bookkeeping Act, e.g. for five years.

Effective from financial years starting 1 January 2021 the transfer pricing documentation ("Master File" and "Local File") must be submitted to the Danish tax authorities within 60 days after the deadline for filing the tax return. If the transfer pricing documentation is not submitted in time, the tax authorities has the right to collect daily fines.

Failure to provide or failure to timely provide the transfer pricing documentation ("Master File" and "Local File") is a punishable offence, which in practice, results in a fine, which, as a starting point, amounts to DKK 250,000 for each income year the documentation is not provided and potentially a fine of 10% of the levied increase to the company's taxable income.

Transfer pricing-related disclosures must be provided in the income tax return. Missing or erroneous information in the income tax return is a punishable offence and may result in a significant fine.

The Company is required to file Country-by-Country reporting (CbCR) as the Company is part of a multinational group with consolidated revenue of more than DKK 5.6 billion. Groups subject to this requirement typically choose to prepare the reporting centrally. However, the Company is required to notify the Danish tax authorities each year the Group files Country-by-Country reporting.

Management has confirmed that the Parent Company has prepared a "Master File" for the Emerson Group and that the documentation can be obtained from the Company if requested by the Danish tax authorities. Management has also confirmed that the Group's "Master File" is prepared in accordance with OECD's guidelines.

Management has confirmed that a "Local File" was prepared in prior years and that it complies with relevant requirements.

The assessment of whether the Company has acted on an arm's length basis is complex and subjective. Consequently, there is a risk that Danish and/or foreign tax authorities may challenge the principles, pricing and contracts forming the basis of the intra-group transactions.

We have not performed any examination of the defence file.

### **3.6 Contingent liabilities**

We have obtained attorney's letters from the external attorneys to identify disputes and claims and assess the accounting treatment thereof.

The attorneys have informed us that, apart from the information already included in the financial statements, they have no knowledge of any legal disputes, etc., that could significantly affect the Company's financial position.

### **3.7 Risk of material misstatement due to fraud**

In connection with our audit, we made enquiries of the general management regarding the risk of material misstatement in the financial statements due to fraud.



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

Management has informed us that, in its opinion, there is no significant risk of fraud and that the Company has an effective control environment to identify the risk of material misstatement in the financial statements, including misstatements due to fraud.

Moreover, the general management has informed us that it is not aware of identified or suspected fraud.

In addition, we are required to enquire whether the Board of Directors has any knowledge of identified or suspected fraud. We consider the directors' signatures on this long-form audit report a confirmation that the Board of Directors has no knowledge of such matters.

During our audit, we did not become aware of any matters indicating or raising suspicion of material misstatement in the financial statements due to fraud.

### **3.8 Related parties**

As part of our audit, we ensured that Management has implemented appropriate accounting and internal controls that ensure identification, recognition and proper presentation of related party transactions in the financial statements.

Management has confirmed to us that related party transactions have been carried out on an arm's length basis.

### **3.9 Uncorrected misstatements**

In accordance with International Standards on Auditing, it is our duty to inform the Board of Directors of any misstatements that have not been corrected in the draft financial statements, as the effects of these, in the opinion of Management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

The purpose of this information is to ensure that the Board of Directors is aware of and concurs with Management's assessment.

We are not aware of any misstatements that have not been corrected in the draft financial statements.

### **3.10 Events after the balance sheet date**

The Executive Board has informed us that, in its opinion, all events that have arisen after the balance sheet date have been recognised and properly disclosed in the financial statements.

During our audit, we did not become aware of any events materially affecting the financial statements that have not been recognised and properly disclosed in the financial statements.





Damcos Holding A/S  
Long-form audit report dated 23 March 2023

## 4 Management's review

In addition to our audit of the financial statements, we have read the Management's review, and

- compared the information therein to the information in the financial statements
- compared the information therein to the knowledge and the matters that we became aware of during our audit
- based on our knowledge of the disclosure requirements under the Danish Financial Statements Act, considered whether there are errors or omissions in the Management's review.

We did not perform any further procedures in connection with our statement on the Management's review.

The work performed did not give rise to significant comments.

## 5 Other audit procedures

### 5.1 Representation letter

In connection with our audit, we have obtained a representation letter signed by Management on matters that materially affect the financial statements and the Management's review.

The representation letter covers the contents of the financial statements, including capital resources, information about charges and collateral, guarantees, legal proceedings, fraud, related party transactions, events after the balance sheet date, summary of uncorrected misstatements and other areas where audit evidence is difficult to obtain. Moreover, the representation letter covers the matters described in the Management's review.

We have no comments on the representation letter obtained from Management.

### 5.2 Compliance with legislation

The Executive Board has confirmed to us that it is not aware of any actual or possible non-compliance with legislation of importance to the financial statements.

During our audit, we did not become aware of any non-compliance with Danish accounting legislation and the Danish Bookkeeping Act or other legislation that may materially affect the financial statements.



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

## 6 Other disclosures

### 6.1 Other relevant information

#### 6.1.1 Adoption of Control package

The so-called *Control package* was adopted in May 2020. The Danish Business Authority is now provided with the opportunity to reject an annual report in the filing process if it is misstated or incomplete. Accordingly, the annual report will not be made public. In addition, the Danish Business Authority will have the authority to refer a company for compulsory dissolution if the company fails to comply with an enforcement order or to file required documentation.

If a company relies on the exemption laid down in section 32 of the Danish Financial Statements Act to omit the disclosure of revenue, the company must disclose revenue to the Danish Business Authority at the time of filing its annual report. Revenue disclosures are not made public and are exempted from the right of access. Revenue disclosures are to be used to verify that the company has presented its annual report in accordance with the correct financial reporting class or that an opt-out of the audit requirement is legal.

#### 6.1.2 Amendments to the Danish Bookkeeping Act

Amendments to the Danish Bookkeeping Act have been passed. The new legislative requirements become successively effective from 1 July 2022 and until 2026. With effect from 1 July 2022, the definition of accounting records as well requirements for certain reconciliations and preservation have been expanded. This includes description of the company's related procedures. Next phase includes additional requirements to third-party provider IT systems used for bookkeeping. These requirements become successively effective from 2023. The Danish Business Authority will continuously release guidance on the amended Act.

### 6.2 The Board of Directors' duties

As required by law, we have ensured that the Company, as prescribed in the Danish Companies Act, has established and maintains a register of shareholders.

Further, we have ensured that

- an order of business for the Board of Directors has been prepared
- the Board of Directors' meeting minutes are prepared and kept
- the long-form audit reports are signed by the Board of Directors.



Damcos Holding A/S  
Long-form audit report dated 23 March 2023

### 6.3 Statutory disclosures


In accordance with Danish audit legislation, we declare  
that we fulfil the statutory provisions concerning auditor's independence and  
that we have received all the information we requested during the audit.

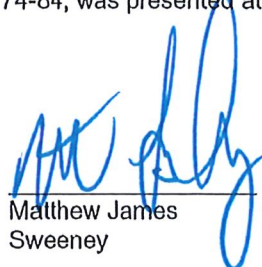
Copenhagen, 23 March 2023  
KPMG  
Statsautoriseret Revisionspartnerselskab


Kenn W. Hansen  
State Authorised  
Public Accountant

The long-form audit report, pp. 74-84, was presented at the meeting on 23 March 2023.

Board of Directors:

  
23-3-23  
\_\_\_\_\_  
Jakob Nørr  
Chairman

  
\_\_\_\_\_  
Matthew James  
Sweeney

  
\_\_\_\_\_  
Erick Rosenby  
Morales