

# Semikron Danfoss Holding A/S

CVR-no. 43 05 96 37

Nordborgvej 81  
6430 Nordborg

## Annual Report 2023

Approved at the Company's annual general meeting  
on 22 April 2024

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Anders Stahlschmidt  
Chair of the meeting

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Semikron Danfoss Holding A/S for the financial year 1 January - 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statement give a true and fair view of the Company's financial position at 31 December 2023, and of the result of the Company's operations for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Nordborg, 21 March 2024

Executive Board:

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Claus Asmus Petersen

Board of Directors:

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Kim Fausing  
Chair

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Jesper V. Christensen

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Harald Wolfgang Jäger

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Mika Petteri Kulju

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Ralf Peter Winkler

## Independent Auditor's Report

To the shareholders of Semikron Danfoss Holding A/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Semikron Danfoss Holding A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Company's Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of the Company's Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

## Independent Auditor's Report, continued

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Aarhus, 21 March 2024

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33 77 12 31

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Claus Lyngsø Sørensen  
State Authorised Public  
Accountant  
mne34539

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Jeppe Brændstrup  
State Authorised Public  
Accountant  
mne48564

## Management's review

### Company details

Company:	Semikron Danfoss Holding A/S Nordborgvej 81 6430 Nordborg
Registration no.:	43 05 96 37
Fiscal year:	1 January - 31 December 2023.
Registered Office:	Soenderborg
Board of Directors:	Kim Fausing, Chair Jesper V. Christensen Mika Petteri Kulju Harald Wolfgang Jäger Ralf Peter Winkler
Executive Board:	Claus Asmus Petersen
Auditors:	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Jens Chr. Skous Vej 1 8000 Aarhus C

## **Management commentary 2023**

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### **Main activities**

The company's activity consists of exercising holding activities and investing, as well as other related activities.

### **Developments in activities and economic conditions**

The income statement for the year shows a result of -2 tEUR, and the balance sheet at 31 December 2023 shows equity of 1.526.730 tEUR.

### **Events after the end of the financial year**

No significant events have occurred after the balance sheet date that are deemed to have a significant impact on the assessment of the annual report.

## Accounting policies

### In general

The annual report of Semikron Danfoss Holding A/S has been prepared in accordance with the provisions applying to class B enterprises under the Danish Financial Statements Act.

The 2023 Annual accounts are presented in tEUR.

The general accounting policies set out below have been consistently applied in respect of the financial year and the comparative figures.

Pursuant to §112 of the Danish Financial Statements Act consolidated accounts have not been prepared as part of the Annual Report for Semikron Danfoss Holding A/S, as the accounts for affiliated companies are included in the consolidated accounts for the parent company Danfoss A/S, Nordborg.

### General recognition and measurement

The accounts have been prepared under the historical cost accounting model.

Revenue is recognised in the profit and loss statement as it is earned. Moreover, the profit and loss statement includes all costs related to the year's profit earning, including depreciation, amortisation and provisions, as well as reversals due to changes in accounting estimates of amounts previously recognised in the profit and loss statement.

Assets are included in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are included in the balance sheet when it is probable that the Company will have future economic benefits and the liability may be measured reliably.

Upon initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are recognised as described for each item below.

Some financial assets and liabilities are recognised at amortised cost, which implies a constant effective interest rate over the life of the asset or liability. Amortised cost is calculated as the original cost minus discounts and plus/minus the accumulated amortisation of the difference between the cost and the nominal amount. This spreads exchange losses and gains over time.

Recognition and measurement shall take into account foreseeable losses and risks that occur prior to the preparation of the Annual Report, and that either confirm or deny existing conditions at the balance sheet date.

### Foreign currency translation

During the year transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies, which are not settled at the balance sheet date, are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the exchange rates at the transaction date is recognised in the income statement as financial income or financial expenses.

## Income statement

### Administrative expenses

Administrative expenses comprise audit expenses and other administration costs incurred during the year.

### Staff costs

Staff costs include wages and salaries.

### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc. Financial income and expenses are recognised in the income statement at the amounts concerning the financial year.

Dividends from subsidiaries are measured at cost and recognised as financial income in the period when the dividends are declared.



## Accounting policies, continued

### Tax on profit / loss for the year

The Company is subject to the Danish tax rules on compulsory joint taxation with the corporate group. The Company is included in joint taxation from the date on which it is included in a group of consolidated accounts until the date on which it is removed from consolidation.

Danfoss A/S is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In connection with this, companies with tax deficit receive joint tax contributions from the Management Company.

The annual tax, consisting of the current corporate tax for the year, the joint tax contribution for the year and the change in deferred tax, is recorded in the profit and loss statement for the part related to the profit for the year and directly in equity for the part related to the entries directly in equity.

### Balance sheet

#### Investment in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. In case of indication of impairment, and impairment test is made. If the recoverable amount is lower than cost, investments are written down to this lower value.

#### Receivables

Receivables are measured at amortised cost or a lower net realisable value, which corresponds to nominal value less impairment losses. Write-downs for losses are calculated on the basis of an individual assessment of the receivables.

#### Equity - dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### Joint taxation contribution

According to the joint taxation rules, the subsidiaries' liability to the tax authorities for their own company taxes is settled with the payment of the joint taxation contribution to the Management company.

Current tax payable and receivable is recognised in the balance sheet as tax calculated on the taxable income, adjusted for tax on prior years' taxable income and for tax paid in advance. The joint taxation balance is reported as receivables or debt to group enterprises.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes, office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets are recognised at the expected value of their utilisation within the foreseeable future, that is expected to be utilised within the joint-taxation; 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.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

## Income statement January 1 - December 31

tEUR

	Notes	<u>2023</u>	<u>2022</u>
Administrative expenses		-42	-90
Staff costs	1	<u>-200</u>	<u>0</u>
<b>Operating profit</b>		<b>-242</b>	<b>-90</b>
Financial income	2	570	0
Financial expenses	3	<u>-331</u>	<u>-1</u>
<b>Profit before tax</b>		<b>-3</b>	<b>-91</b>
Tax on profit/loss		<u>1</u>	<u>9</u>
<b>Net Profit</b>		<b><u>-2</u></b>	<b><u>-82</u></b>
<b>Attributable to:</b>			
Retained earnings		<u>-2</u>	<u>-82</u>
<b>Total</b>		<b><u>-2</u></b>	<b><u>-82</u></b>

**Balance sheet as of December 31****Assets**

tEUR

	Notes	2023	2022
<b>Non-current assets</b>			
<b>Investments</b>			
Investments in subsidiaries		1.574.788	1.523.125
<b>Total investmnts</b>		<b>1.574.788</b>	<b>1.523.125</b>
<b>Total non-current assets</b>		<b>1.574.788</b>	<b>1.523.125</b>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables by group enterprises		210.505	1.866
<b>Total receivables</b>		<b>210.505</b>	<b>1.866</b>
<b>Total current assets</b>		<b>210.505</b>	<b>1.866</b>
<b>Total assets</b>		<b>1.785.293</b>	<b>1.524.991</b>

**Balance sheet as of December 31****Equity and liabilities**

tEUR

	Notes	2023	2022
<b>Equity</b>			
Share capital		88	88
Share premium		587.966	587.966
Retained earnings		938.676	936.898
<b>Total equity</b>		<b>1.526.730</b>	<b>1.524.952</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Amounts owed to group enterprises		258.288	0
Other payables		275	39
<b>Total current liabilities</b>		<b>258.563</b>	<b>39</b>
<b>Total liabilities</b>		<b>258.563</b>	<b>39</b>
<b>Total equity and liabilities</b>		<b>1.785.293</b>	<b>1.524.991</b>

Contractual obligations and contingencies, etc.

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Related parties

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Subsequent events

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## Statement of changes in equity

tEUR

	Share capital	Share premium	Retained earnings	Total
<b>Balance as of January 1, 2022</b>				
Capital increase	54			54
Equity injection			934.500	934.500
Contribution in kind	34	587.966		588.000
Net profit			-82	-82
Foreign exchange adjustments of foreign companies			508	508
Group contribution			1.972	1.972
<b>Balance as of December 31, 2022</b>	<b>88</b>	<b>587.966</b>	<b>936.898</b>	<b>1.524.952</b>
<b>Balance as of January 1, 2023</b>	<b>88</b>	<b>587.966</b>	<b>936.898</b>	<b>1.524.952</b>
Net profit			-2	-2
Foreign exchange adjustments of foreign companies			-3.352	-3.352
Group contribution			5.132	5.132
<b>Balance as of December 31, 2023</b>	<b>88</b>	<b>587.966</b>	<b>938.676</b>	<b>1.526.730</b>

## Notes

tEUR

Notes	2023	2022
<b>1 Staff costs</b>		
Wages/Salaries	200	0
<b>Total staff costs</b>	<b>200</b>	<b>0</b>
<p>Average number of employees is 0.            Total remuneration to the Executive Board and the Board of Directors in 2023 is 200 tEUR. Last year the total remuneration to the Executive Board and the Board of Directors was 0 tEUR.</p>		
<b>2 Financial income</b>		
Interest income from group enterprises	570	0
<b>Total financial income</b>	<b>570</b>	<b>0</b>
<b>3 Financial expenses</b>		
Interest expense to group enterprises	286	1
Foreign exchange loss	45	0
<b>Total financial expenses</b>	<b>331</b>	<b>1</b>

#### 4 Contractual obligations and contingencies, etc.

##### Joint taxation

The Company is jointly taxed with other Danish companies in the Danfoss Group. As a joint-taxed company that is not wholly owned, the company is limited and subsidiarily liable for Danish corporation tax and withholding tax on dividends, interest and royalties within the joint taxation arrangement. Any subsequent corrections to the taxable joint taxation income or withholding taxes could result in the company's liability amounting to a larger amount than recognized in the annual report. The administration Company in the joint taxation arrangement is Danfoss A/S.

#### 5 Related parties

All intercompany transactions have been made on an arm's length basis. According to the Danish Financial Statements Act §98c, 7 no further information is given on transactions with related parties.

The annual report of Semikron Danfoss Holding A/S is included in the Group Annual Report of Danfoss A/S. Danfoss A/S has registered office in Sønderborg and CVR-no. 20 16 57 15.

#### 6 Subsequent events

No significant events have occurred after the balance sheet date that are deemed to have a significant impact on the assessment of the annual report.