

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "EU MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "EU Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "FSMA") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

EU MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in EU MiFID II; or (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 26 April 2021

DANFOSS FINANCE I B.V.
Issue of EUR 700,000,000 0.375 per cent. Notes due 28 October 2028

Legal Entity Identifier (LEI): 549300LGLOQFR0NQEZ82

Under the EUR 2,500,000,000 Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by
DANFOSS A/S and DANFOSS POWER SOLUTIONS INC.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated 26 March 2021 which constitutes an offering circular (the "**Offering Circular**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular in order to obtain all the relevant information.

The Offering Circular has been published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The expression "EU Prospectus Regulation" means Regulation (EU) 2017/1129.

In accordance with the EU Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.

- | | | | |
|----|-------|--|--|
| 1. | (i) | Issuer: | Danfoss Finance I B.V. |
| | (ii) | Guarantors: | Danfoss A/S and Danfoss Power Solutions Inc. |
| 2. | (i) | Series Number: | 2 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes become fungible: | Not Applicable |
| 3. | | Specified Currency or Currencies: | euro ("EUR") |
| 4. | | Aggregate Principal Amount: | |
| | (i) | Series: | EUR 700,000,000 |
| | (ii) | Tranche: | EUR 700,000,000 |
| 5. | | Issue Price: | 99.155 per cent. of the Aggregate Principal Amount |
| 6. | (i) | Specified Denominations: | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof |
| | (ii) | Calculation Amount: | EUR 1,000 |
| 7. | (i) | Issue Date: | 28 April 2021 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 28 October 2028 |
| 9. | | Interest Basis: | 0.375 per cent. Fixed Rate per annum (further particulars specified below) |

- | | | |
|-----|--|--|
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Change of Control Put Option
Issuer Call
Clean-up Call Option
(See paragraphs 17 and 19 below) |
| 13. | Date Board approval for issuance of Notes and Guarantee of the Notes obtained: | 24 March 2021, 18 March 2021 and 23 March 2021, respectively |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--------------------------------------|--|
| 14. | Fixed Rate Note Provisions | Applicable |
| | (i) Rate of Interest: | 0.375 per cent. per annum payable in arrear on each Interest Payment Date |
| | (ii) Interest Payment Date(s): | 28 October in each year from and including 28 October 2021 (the "First Interest Payment Date") to and including the Maturity Date.

There will be a short first coupon payable on the First Interest Payment Date. |
| | (iii) Fixed Coupon Amount(s): | EUR 3.75 per Calculation Amount payable on each Interest Payment Date from and including 28 October 2022 to and including the Maturity Date. |
| | (iv) Broken Amount(s): | There will be a short first coupon of EUR 1.88 per Calculation Amount payable on the First Interest Payment Date. |
| | (v) Day Count Fraction: | Actual/Actual (ICMA) |
| 15. | Floating Rate Note Provisions | Not Applicable |
| 16. | Zero Coupon Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | | |
|-----|---|--|
| 17. | Call Option | Applicable |
| | (i) Optional Redemption Date(s) (Call): | Any Payment Business Day from and including the Issue Date to but excluding the Maturity Date |
| | (ii) Optional Redemption Amount(s) (Call) of each Note: | In the case of any Optional Redemption Date(s) (Call) falling in the period from and including the Issue Date to but excluding 28 July 2028: the Make-Whole Redemption Price.

In the case of any Optional Redemption Date(s) (Call) falling in the period from and including 28 July 2028 |

		to but excluding the Maturity Date: EUR 1,000 per Calculation Amount.
(iii)	Make Whole Redemption Price:	Non-Sterling Make Whole Redemption Amount
(a)	Reference Bond:	DA Selected Bond
(b)	Quotation Time:	10:00 a.m. Central European Time
(c)	Redemption Margin:	0.15 per cent.
(d)	Reference Government Bond Dealers:	BNP Paribas Citigroup Global Markets Europe AG Danske Bank A/S Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ)
(iii)	Redeemable in part:	Not Applicable
(iv)	Notice period:	Minimum Period: 10 days Maximum Period: 30 days
18.	Special Redemption Event (Issuer Call)	Not Applicable
19.	Clean-Up Call Option	Applicable
(i)	Early Redemption Amount:	EUR 1,000 per Calculation Amount
(ii)	Minimum Percentage:	80 per cent.
(iii)	Notice Period:	Minimum Period: 30 days Maximum Period: 60 days
20.	Put Option	Not Applicable
21.	Final Redemption Amount of each Note	EUR 1,000 per Calculation Amount

22. **Early Redemption Amount (Tax) / Early Termination Amount**
- (i) Early Redemption Amount (Tax) / Early Termination Amount per Calculation Amount payable on redemption for taxation reasons or on event of default: EUR 1,000 per Calculation Amount
- (ii) Notice period for the purposes of Condition 8(b): Minimum Period: 30 days
Maximum Period: 60 days

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. **Form of Notes:** Registered Notes:
Global Registered Note (EUR 700,000,000 principal amount) registered in the name of a nominee for a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS)) exchangeable for Individual Note Certificates in the limited circumstances described in the Global Registered Note.
24. **New Global Note:** No
25. **Additional Financial Centre(s) or other special provisions relating to payment dates:** Not Applicable
26. **Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):** No

THIRD PARTY INFORMATION

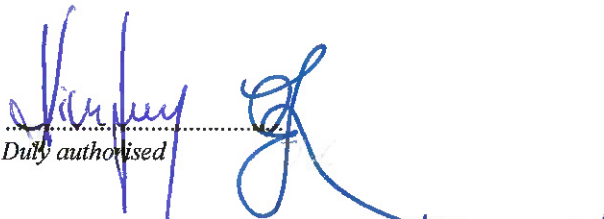
The description of the rating of the Notes set out in paragraph 2 of Part B of this Pricing Supplement has been extracted from <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Each of the Issuer and each of the Guarantors confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of **Danfoss Finance I B.V.:**

By: 
.....
Duly authorised

Name: Flemming Aaskov Jørgensen

Signed on behalf of **Danfoss A/S:**

By: 
.....
Duly authorised

Name:
KIM FAUSING **JESPER V. CHRISTENSEN**

Signed on behalf of **Danfoss Power Solutions Inc.:**

By:
Duly authorised

Name:

Signed on behalf of **Danfoss Finance I B.V.:**

By:
Duly authorised

Name: Flemming Aaskov Jørgensen

Signed on behalf of **Danfoss A/S:**

By:
Duly authorised

Name:

Signed on behalf of **Danfoss Power Solutions Inc.:**

By: 
.....
Duly authorised

Name: **DANIEL GINTER**

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the Official List and trading on the Luxembourg Stock Exchange's Euro MTF Market with effect from 28 April 2021.
- (ii) Estimate of total expenses related to admission to trading: EUR 5,900

2. RATINGS

The Notes to be issued have been rated:

S&P Global Ratings Europe Limited: BBB

An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.

S&P Global Ratings Europe Limited is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "EU CRA Regulation"). S&P Global Ratings Europe Limited appears on the latest update of the list of registered credit rating agencies (as of 4 January 2021) on the ESMA website <http://www.esma.europa.eu>. The rating S&P Global Ratings Europe Limited has given to the Notes is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "UK CRA Regulation").

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Joint Lead Managers, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantors and their affiliates in the ordinary course of business.

4. YIELD

Indication of yield: 0.490 per cent. per annum. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

5. OPERATIONAL INFORMATION

ISIN: XS2332689681

Common Code: 233268968

FISN:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
CFI Code:	See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Delivery	Delivery against payment
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Relevant Benchmark:	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper, and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. DISTRIBUTION

(i)	Method of Distribution:	Syndicated
(ii)	If syndicated:	
	(A) Names of Joint Lead Managers:	BNP Paribas Citigroup Global Markets Europe AG Danske Bank A/S Nordea Bank Abp Skandinaviska Enskilda Banken AB (publ)
	(B) Stabilisation Manager:	BNP Paribas
(iii)	If non-syndicated, name of Dealer:	Not Applicable
(iv)	Additional Selling Restrictions:	Not Applicable
(v)	US Selling Restrictions	Reg. S Compliance Category 2;

TEFRA not applicable

- (v) Prohibition of Sales to EEA Retail Investors: Applicable
- (v) Prohibition of Sales to UK Retail Investors: Applicable
- (vi) Prohibition of Sales to Belgian Consumers: Applicable

7. **REASONS FOR THE OFFER
AND ESTIMATED NET
AMOUNT OF PROCEEDS**

Reasons for the offer: The net proceeds of the Notes will be used to finance, or refinance, the Eaton Hydraulics Acquisition

Estimated net proceeds: EUR 692,072,500