

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 both) 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 both) 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.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018).

Pricing Supplement dated 31 May 2023

DANFOSS FINANCE II B.V.

Legal Entity Identifier of Issuer (LEI): 549300NZCU7GI52SSK89

**Issue of EUR 500,000,000 4.125 per cent. Notes due 2 December 2029
under the EUR 2,500,000,000 Euro Medium Term Note Programme**

**unconditionally and irrevocably guaranteed by
Danfoss A/S**

Legal Entity Identifier of Guarantor (LEI): 5493007I2KABJNYPD639

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 17 May 2023 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.luxse.com.

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 II B.V.
- (ii) Guarantor: Danfoss A/S
2. (i) Series Number: 2023-1
- (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 500,000,000
 - (ii) Tranche: EUR 500,000,000
5. Issue Price: 99.708 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: 2 June 2023
- (ii) Interest Commencement Date: Issue Date
8. Maturity Date: 2 December 2029
9. Interest Basis: 4.125 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 nominal amount, subject to the Sustainability-Linked Premium Amount as described in Condition 8 (*Sustainability-Linked Notes*) (see paragraph 16 below).
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 18 and 20 below)
13. Date Board approval for issuance of Notes and Guarantee of the Notes obtained: 11 May 2023 and 4 May 2023, respectively

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** Applicable
- (i) Rate of Interest: 4.125 per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): 2 December in each year from and including 2 December 2023 (the "**First Interest Payment Date**") up to and including the Maturity Date. There will be a short first coupon from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date (the "**Short First Coupon**")
- (iii) Fixed Coupon Amount: EUR 41.25 per Calculation Amount payable on each Interest Payment Date other than in respect of the Short First Coupon payable on the First Interest Payment Date (as to which see paragraph 14(iv) below)
- (iv) Broken Amount(s): In respect of the Short First Coupon, EUR 20.68 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. **Sustainability-Linked Event** **Trigger** Applicable. Sustainability-Linked Trigger Event (Premium)
- (i) Sustainability Performance Target: 75 per cent.
- (ii) Base Year: Financial year ending 31 December 2019
- (iii) Target Observation Year: Financial year ending 31 December 2028
- (iv) Sustainability-Linked Step-Up Margin: Not Applicable
- (v) Sustainability-Linked Premium Amount: EUR 7.50 per Calculation Amount
- (vi) Sustainability-Linked Premium Payment Date: Redemption

17. **Zero Coupon Note Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

18. **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 the Par Redemption Date: the Make-Whole Redemption Price
- In the case of any Optional Redemption Date(s) (Call) falling in the period from and including the Par Redemption Date 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: DBR 2.1 per cent. due 15 November 2029 (ISIN: DE0001102622)
- (b) Relevant Make Whole Screen Page: Bloomberg screen page "PXGE"
- (c) Quotation Time: 10.00 a.m. (Central European time)
- (d) Redemption Margin: 0.250 per cent.
- (e) Par Redemption Date: 2 September 2029
- (iv) Redeemable in part: Not Applicable
- (v) Notice period: Minimum period: 10 days
Maximum period: 30 days
19. **Special Redemption Event (Issuer Call)** Not Applicable
20. **Clean-Up Call Option** Applicable
- (i) Optional Redemption Amount (Clean-Up Call): EUR 1,000 per Calculation Amount
- (ii) Minimum Percentage: 80 per cent.
- (iii) Notice Period: Minimum period: 10 days
Maximum period: 30 days
21. **Put Option** Not Applicable
22. **Final Redemption Amount of each Note** EUR 1,000 per Calculation Amount

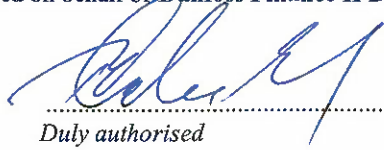
23. **Early Redemption Amount (Tax) / Early Termination Amount**
- (i) Early Redemption Amount (Tax) / Early Termination Amount per Calculation Amount payable on redemption for taxation reasons or on event of default: EUR 1,000 per Calculation Amount
- (ii) Notice period for the purposes of Condition 8 (*Sustainability-Linked Notes - Sustainability-Linked Trigger Event (Premium)*): As per Condition 8 (*Sustainability-Linked Notes*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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|-----|---|--|
| 24. | Form of Notes: | Bearer Notes Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| 25. | New Global Note: | Yes |
| 26. | New Safekeeping Structure: | Not Applicable |
| 27. | Additional Financial Centre(s) or other special provisions relating to payment dates: | Not Applicable |
| 28. | Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): | No |

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


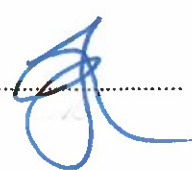
By:



.....
Duly authorised

PALLE DEBENROTH PEDERSEN

Signed on behalf of Danfoss A/S

By:  
Duly authorised

KIM FAUSING

DESPER V. CHRISTENSEN

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: Application is expected to be 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 2 June 2023
- (ii) Estimate of total expenses related to admission to trading: EUR 4,750

2. RATINGS

The Notes to be issued are expected to be rated:

S&P Global Ratings Europe Limited ("**S&P**"): BBB

In accordance with S&P's ratings definitions available as at the date of this Pricing Supplement on <https://www.spglobal.com/ratings/en/research/articles/190705-s-p-global-ratings-definitions-504352> 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 is established in the EEA and registered under Regulation (EC) No 1060/2009, on credit rating agencies and appear on the latest update of the list of registered credit rating agencies on the ESMA website (www.esma.europa.eu/supervision/credit-rating-agencies/risk). The rating given by S&P is endorsed by S&P Global Ratings UK Limited, which is established in the UK and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

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

Save for any fees payable to the Joint Lead Managers and as described in paragraph 7 below, 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 Guarantor and their affiliates in the ordinary course of business.

4. YIELD

Indication of yield: 4.181 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: XS2628785466

Common Code: 262878546

FISN: See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced

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|---|---|
| | 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 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 Danske Bank A/S J.P. Morgan SE Nykredit Bank A/S |
| | (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 D |
| (vi) | Prohibition of Sales to EEA Retail Investors: | Applicable |
| (vii) | Prohibition of Sales to UK Retail Investors: | Applicable |
| (viii) | Prohibition of Sales to Belgian Consumers: | Applicable |

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

Reasons for the offer: General corporate purposes and the refinancing of existing indebtedness, which may include repayment to some or all of the Joint Lead Managers

Estimated net proceeds: EUR 497,165,000