Johnson Controls Denmark ApS

CVR-nr. 19 05 61 71
Christian X's Vej 201
DK-8270 Højbjerg

Annual Report 2023/24

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 15 April 2025.

Chairman, Benthe Klokkerholm



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Management's Statement

The Executive Board and the Board of Directors have today considered and adx opted the Annual Report of Johnson Controls Denmark ApS for the financial year 1 October 2023 - 30 September 2024.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2024 of the Company and of the results of the Company's operations for the financial year 1 October 2023 – 30 September 2024.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Højbjerg April 15, 2025

Executive Board

Lene Overgaard Andersen
Managing Director

Board of Directors

Benthe Klokkerholm
Chairman

Henrik Skovbjerg Mortensen

Christian Dyring

Tomas Strangholt

Independent Auditors' Report

To the Shareholder of Johnson Controls Denmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2024, and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Johnson Controls Denmark ApS for the financial year 1 October 2023 - 30 September 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("the 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 Company 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.

Emphasis of Matter

Without qualifying our opinion, we point to note 15 in the Annual Report in which Management describes a material uncertainty relating to claim made by the Danish Tax Authorities and uncertainty related to the recognition of current tax derived from the Company's exit from the US "Check The Box" rules in 2010/11.

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 Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditors' Report

Management's responsibilities for the Financial Statements

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 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.

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 judgement 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.

Independent Auditors' Report

Aarhus, 15 April 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Henrik Trangeled Kristensen
State Authorised Public Accountant
(mne23333)

Thomas Bernth Jensen
State Authorised Public Accountant
(mne47814)

Company Information

The Company	Johnson Controls Denmark ApS Christian X's Vej 201 DK-8270 Højbjerg
Telephone	+45 8736 7000
Facsimile	+45 8736 7005
Website	www.jci.com
CVR No	19 05 61 71
Financial period	1 October - 30 September
Established	1 January 1996
Municipality of reg. Office	Aarhus
Executive Board	Lene Overgaard Andersen, *Managing Director*
Board of Directors	Benthe Klokkerholm, *Chairman* Henrik Skovbjerg Mortensen Christian Dyring Tomas Strangholt
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C
Annual General Meeting	The Annual General Meeting is held 15th of April 2025 at the Company's address.

Management's Review

Financial Highlights

The following financial highlights are describing the development of the Company over the last 5 years.

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Key figures					
Revenue	2,070,461	1,988,971	1,762,052	1,656,688	1,781,891
Profit/(loss) before financial income and expenses	249,259	144,535	-31,671	155,995	183,340
Financial income and expenses	6,282	1,670	-11,245	-8,493	-13,952
Exceptional items	0	172	54,715	-36,300	-43,652
Net profit/(loss) for the year	211,914	128,459	17,980	78,116	91,344
Total assets	2,116,325	1,942,473	2,441,821	2,127,122	2,136,838
Investments in property, plant and equipment	50,139	38,102	23,117	14,478	17,168
Equity	1,287,113	1,075,199	1,516,740	1,498,760	1,420,708
Ratios					
Profit margin	12.0 %	7.3 %	-1.8 %	9.4 %	10.3 %
Return on investment	15.6 %	7.4 %	-1.5 %	7.9 %	10.2 %
Gross margin	31.0 %	25.2 %	16.8 %	23.9 %	23.1 %
Current ratio	158.9 %	175.6 %	253.3 %	304.4 %	272.5 %
Equity ratio	60.8 %	55.4 %	62.1 %	70.5 %	66.5 %
Return on equity	17.9 %	9.9 %	1.2 %	5.4 %	6.6 %
Average number of employees	756	767	702	691	703

For definitions of the financial ratios, see the accounting policies.

The company is the continuing company in a merger in the financial year 2021/22. The financial highlights for 2019/20 have not been adjusted.

Management's Review

Operating Review

Principal activities

The Johnson Controls Denmark group provides industrial and marine refrigeration and heat-pump systems, control systems, equipment, spare parts and services primarily for the food and process industries and for the commercial marine market. The Johnson Controls Denmark group delivers to customers all over the world.

Johnson Controls Denmark ApS is a part of Johnson Controls, International plc, which has its headquarters in Cork, Ireland. Johnson Controls International plc is a global market leader in building efficiency and fire suppression. The Johnson Controls Denmark group belongs to the building efficiency business.

Equity and Ownership

The entire share capital of the Company is held by Johnson Controls Hungary Holdings Korlátolt Felelősségű Társaság which again is owned by Johnson Controls International plc. Johnson Controls International plc is listed on the New York Stock Exchange. The consolidated financial statements are prepared according to US GAAP and include Johnson Controls Denmark ApS as a subsidiary.

Under reference to Section 112 of the Danish Financial Statements Act, it has been decided not to prepare separate consolidated statements for Johnson Controls Denmark ApS.

Development in activities and financial position

Profit and Loss

The actual revenue for the year increased by 4% to 2,070 million DKK compared to the previous fiscal year. The increase is lower than expected as the forecast last year was an increase between 10% and 15%. The growth in sales is attributable to all parts of the business. In the Marine business the revenue growth has been low compared to prior year, mainly due to missing orders in the gas segment from a key customer, however there has been slight growth in the service revenue.

In the Refrigeration business the growth in revenue is attributable to services and contracting. In the Parts business there are increases in all segments except for sales to Norway.

The gross margin in 2023/24 has increased compared to 2022/23. It was lower than planned by 111.9 million (due to lower revenue) but still higher than the previous fiscal year in absolute terms by 141.6 million.

The increase in gross margin compared to 2022/23 is mainly due to the Refrigeration business and the parts production segment.

The administrative costs increased somewhat compared to 2022/23, mainly due to higher costs for personnel, including restructuring costs.

Tax on profit/ (loss) for the year was an expense of 60.3 million DKK compared to an expense of 36.6 million DKK in 2022/23 given the increase in profit before tax and change in deferred tax assets.

In the end the realised 2023/24 profit before tax was 272.3 million DKK. This is compared to a profit before tax of 165.0 million DKK in 2022/23, hence the actual increase in profit before tax was higher than the expectation on 5-10% in the Annual Report for 2023/24.

Uncertainties regarding recognition and measurement

The Danish Tax Authorities have in the financial year 2011/12 made a claim that the taxable income for the assessment year 2006 should be increased. The Johnson Controls Group strongly disagrees with the claim that the Danish Tax Authorities have made. Consequently, the claim has been appealed to the Danish National Income Tax Tribunal. Please refer to note 15 Contingent liabilities for more details.

Market Conditions

The domestic sales have increased compared to last year. In absolute terms the largest increase is to the European market followed by Africa. We have seen a decrease in sales to Asia, the Americas and rest of the world.

Production and processes

The market continues to move towards more complex solutions thus our focus continues to keep the balance between complex solutions and standard products.

New Products and product improvements

To reduce the global warming we continue developing equipment with natural refrigerants. We maintain our existing product programs with natural refrigerants for our core business segment. Another focus area is to continue developing our heat pumps offerings to support the growing European demand for heat pumps with natural refrigerant such as ammonia and water.

Environmental Policy

Johnson Controls Denmark has developed an environment policy supporting the development of new sustainable products and taking the environment into consideration in our production plant.

Zero Waste to Landfill

As part of Johnson Controls' continued commitment to reduce the impact on the environment and thus contribute to protect the world for future generations, Johnson Controls Denmark was in August 2018 recognized as attaining zero waste to landfill.

Before being certified as landfill free facility, the company participated in an independent review and demonstrated that 100 percent of the waste being produced are either recycled, reused or converted to energy.

The commitment to zero waste to landfill is maintained through the daily processes.

Investments

All investments in the Company aim at supporting the future manufacturing, market and product strategies which pursue increased sustainability and environment awareness.

Capital resources

The capital resources of Johnson Controls Denmark ApS consist of e.g. unused credit facilities in Denmark as well as abroad.

The capital resources are unchanged compared to previous year and estimated to be fully sufficient to ensure the continued operations of the Company.

Outlook

In 2024/25 we expect that the revenue will increase between 10-15%. The increase in revenue is expected from growth in the all parts of the business. We expect an increase in profit before tax between 10-15%. The increase in profitability is mainly due to improvements and streamlining of process in the Refrigeration business and higher backlog in the Marine business.

Risk factors

General risks

The general risks relate to the global world economy, as the Johnson Controls Denmark group deliver to customers worldwide.

Financial risks

Due to its equity ratio, the Company's exposure to financial risk of interest rate fluctuations is limited.

Currency risks

As a considerable part of the revenue is achieved through export sales, and as a not insignificant part of the purchase is made in foreign currencies (primarily EUR and USD), the Company is exposed to exchange risks.

To minimize the effects of the foreign currency exposure the legal entity works continuously with the Corporate Treasury office, in Belgium, who is responsible for the consolidation of all foreign exchange transactions for Johnson Controls. The legal entities are not allowed to hedge with external financial institutions, but if this is needed Corporate Treasury will do this on behalf of the legal entity.

Credit risks

It is the policy of the Company that payments from external customers must always be hedged either by bank guarantees, letters of credit or by current credit rating of the customer.

Intellectual capital

Ensuring the correct composition of the staff's competences and training is obviously essential to the Company. Therefore, the performance of the employees compared to the specified objectives is subject to current evaluation.

Report on Corporate Social Responsibility, Cf. Section 99 a of the Danish Financial Statements Act

Johnson Controls Denmark ApS does not have its own local statement on Corporate Social Responsibility, but refer to the Johnson Controls global statement, which can be found on:

https://www.johnsoncontrols.com/-/media/project/jci-global/johnson-controls/us-region/united-states-johnson-controls/corporate-sustainability/documents/2024-sustainability-report.pdf

Management Training and Recruitment of Leaders

At Johnson Controls Denmark ApS, we have established comprehensive policies and initiatives aimed at fostering diversity, equity, and inclusion. Our commitment extends to creating an appealing workplace, offering rewarding career opportunities, and ensuring a seamless onboarding experience.

Our Policy

Johnson Controls Denmark ApS has an equality policy designed to achieve a more balanced representation of male and female leaders within the organization. We focus on increasing the percentage of female leaders and actively encourage candidates of all genders to apply for leadership roles, including those in operations and functional support teams.

We are also committed to ensuring equal opportunities for all parents. We advocate for a fair distribution of parental leave at the societal level and seek to attract and retain the best talent during their transition to parenthood. Our parental leave policy promotes equitable conditions for mothers, fathers, and co-parents, supporting a healthy work-life balance.

Our Initiatives

An Attractive Workplace

Our goal is to become the employer of choice in all the markets we operate in by attracting, developing, and retaining top talent. We aim to recruit and nurture the industry's best talent to drive business growth and develop the next generation of leaders. We are committed to delivering a compelling employee value proposition and fostering a high-performance, inclusive culture.

Building a high-performance culture is a cornerstone of our enterprise strategy, defined by seven key elements, including diversity, equity, and inclusion. Our inclusive culture encourages the right mindsets and behaviors, enhances engagement, boosts productivity, and fosters innovation, ultimately leading to outstanding customer outcomes. We empower every employee to actively contribute to a culture that values individuality, celebrates creativity, and drives innovation.

Recognizing that our employees are our most valuable asset, we believe that when they thrive, they become more engaged and take greater ownership of their roles. Our robust Bravo Recognition Program and employee feedback initiative, Your Voice, focus on key areas such as employee engagement, health and well-being, diversity and inclusion, transformation, and change. We conduct quarterly assessments to enable real-time improvements and transparency. Our well-being survey helps us understand what matters to our employees, what influences their well-being, and how we can enhance job satisfaction to make Johnson Controls Denmark ApS an even more appealing workplace.

Our culture of recognition emphasizes celebrating each other's achievements, appreciating contributions, and ensuring that everyone feels valued by their peers and leadership. This program aligns with our strategy and mission to be the employer of choice across all our markets.

Attractive Career Framework

At the heart of our business are our people, their knowledge, and their skills. We continually prioritize the professional and personal development of our employees to attract and retain exceptional talent. This includes providing development opportunities, various career paths, and tailored competency development. We conduct annual talent reviews to identify and cultivate talent within our organization, reviewing succession plans and pipelines for future leaders based on performance evaluations.

Recruitment remains a top priority, and in 2024, we have launched several initiatives to enhance our profile among potential employees. We engage with students in primary schools to give them insight into the diverse roles available in a company like ours. Our participation in career fairs allows us to directly present our company to students nearing graduation and recent graduates entering the job market.

In response to the historically low enrollment in vocational education in Aarhus, which poses a potential risk of future labor shortages, Johnson Controls Denmark ApS is engaging with technical schools etc. and actively collaborating with the Danish Industry board (East Jutland) and its Vocational Education Committee to strategically tackle these challenges.

Our efforts to strengthen vocational education and participate in career fairs reflect our commitment to attracting and recruiting talent from diverse backgrounds and educational levels.

We have been refining our onboarding processes at Johnson Controls Denmark ApS for several years, benefiting from a structured pre- and onboarding framework that accelerates the new-hire experience. We understand that a positive first impression and effective onboarding are vital for new employees to develop a strong sense of belonging and integrate quickly into the organization. A successful onboarding process also reduces the time it takes for new hires to become productive contributors to Johnson Controls Denmark ApS.

Our Outcomes and Expectations

We are witnessing an increasing interest in leadership roles among our female employees and anticipate that the percentage of female leaders will continue to rise in the coming years, supported by our initiatives.

Despite heightened competition for talent, we have successfully filled our advertised positions throughout the year.

We expect that our strategic collaboration with a wide range of schools and Danish Industry will lead to increased enrollment of talent in our industry, particularly in vocational education programs, which is crucial for ensuring a qualified workforce in the future.

Report on Data Ethics, Cf. Section 99 d of the Danish Financial Statements Act

Johnson Controls Denmark ApS does not have its own local policy on Data Ethics. Instead, the Johnson Controls Group Privacy Policy applies to the company.

The purpose of the Privacy Policy and the associated Global Privacy Program is to address the rights of employees, candidates, interns, former employees, dependents, beneficiaries, contractors, consultants, temporary agency workers, customers, consumers, suppliers and vendors; and the obligations of Johnson Controls with respect to the processing of Personal Data, including collection, use, retention, disclosure, and destruction, in compliance with applicable local laws and the commitments set forth in the Johnson Controls Ethics Policy. “Personal Data,” sometimes referred to as personally identifiable information (PII), is defined as information that is or can be related to an identifiable individual.

The policy states that Personal Data is only collected and used in line with applicable local laws. Personal Data that is considered sensitive is only used if necessary and with the individual’s consent, where required. The Global Privacy Program activities are structured around 13 Privacy Management Processes, where one of the processes provides ongoing training and awareness to promote compliance with the privacy policy and to mitigate operational risks.

The organization responsible for maintaining the police is the Privacy Office, which shall manage the Global Privacy Program operations to ensure that it meets its goals and operational targets, and is communicated effectively within the enterprise.

Financial Statements 1 October - 30 September

Accounting Policies

Basis of Preparation

The Annual Report of Johnson Controls Denmark ApS for 2023/24 has been prepared in accordance with the provisions applying to large enterprises of reporting class C under the Danish Financial Statements Act.

As the Company's ultimate parent company Johnson Controls International plc., Cork, Ireland, I.R.S. Employer Identification No.: 98-0390500, is listed in the USA and prepares consolidated financial statements according to US GAAP, in which Johnson Controls Denmark ApS is included as a subsidiary, it has been decided, under reference to Section 112 of the Danish Financial Statements Act, not to prepare separate consolidated financial statements for Johnson Controls Denmark ApS.

Under reference to Section 86 Paragraph 4 of the Danish Financial Statements Act, it has been decided not to prepare a separate cash flow statement for Johnson Controls Denmark ApS.

During the year notes have been reclassified.

The accounting policies are unchanged from previous years.

The Annual Report for 2023/24 is presented in DKK Thousands.

Recognition and measurement

The financial statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost, are recognised.

Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner are used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised as financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised as financial income and expenses in the income statement.

Segment reporting

The report includes information on sales distributed on activities and geographical markets.

Income Statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria;

- That the delivery has been made before the balance sheet date;
- That a binding sales agreement has been made;
- That the sales price has been determined; and payment has been received or may with reasonable certainty be expected to be received.

The revenue is recognised exclusive of VAT, taxes and net of discounts relating to sales.

For applicable contract work in progress, the percentage-of-completion method is used. Accordingly, the value of the performed part of the orders is recognised as revenue at the estimated value of the work performed.

Production costs

Production costs include depreciation and salaries incurred for the purpose of generating the revenues for the year. Production costs also comprise research and development costs that do not qualify for capitalisation and amortisation of capitalised development costs.

Distribution costs

Distribution costs comprise costs of sales staff, advertising and exhibition expenses, including depreciation.

Administrative costs

Administrative costs comprise of costs regarding administrative staff, management, office premises and office expenses etc. including depreciation.

Other operating income

Other operating income comprise of income other than that of sale of products and services relating to regular customer orders.

Results from investments in subsidiaries and associates

Dividend from investments in subsidiaries and associated companies are recognised in the income statement in the financial year in which the dividend is declared. To the extent that dividend exceeds accumulated earnings after the date of acquisition, the dividend is however recognised as write-down of the cost of the investment. Profit and loss resulting from divestment of subsidiaries and associated companies are recognised in the divestment year.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange rate gains and losses regarding receivables and payables denominated in foreign currencies.

Tax on profit/(loss) for the year

Johnson Controls Denmark ApS is jointly taxed with its Danish sister company. The Company acts as the administration company for the joint taxation and consequently settles all payments of corporation tax with the tax authorities.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/(loss) for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects and software that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Costs of development projects and software comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities and software. Borrowing costs are not recognised.

Development projects and software that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs and software are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis

As of the date of completion, capitalised development costs and software are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 5 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers. Borrowing costs are not recognised.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are in years:

Buildings	15-40
Plant and machinery	3-12
Fixtures and fittings, tools and equipment	3-12

Land is not depreciated.

Fixed asset investments

Subsidiaries are enterprises that are controlled by the Parent Company. The Parent Company is considered to be in control when the Company directly or indirectly holds more than 50% of the votes or otherwise is able to exercise or actually exercise control.

Enterprises that are not subsidiaries, but in which Johnson Controls Denmark ApS directly or indirectly holds 20% or more of the voting rights or exercises a significant influence are considered associates.

Investments in subsidiaries and associated companies are measured at cost. If the cost exceeds the recoverable amount, the investment is written down to its lower recoverable amount. The cost is reduced to the extent that dividend received exceeds accumulated earnings after the date of acquisition.

Other investments are valued at cost less any write-downs.

Impairment of fixed assets

The carrying amounts of intangible assets, property, plant and equipment and fixed asset investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Leases

Payments in connection with operating leases and other lease agreements are recognised in the income statement over the lease period. The Company’s total liabilities regarding operating leases are disclosed under contractual obligations.

Inventories

Raw materials and consumables are valued at cost.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not recognised.

Write-down to net realisable value is made for goods where the expected sales price less any completion costs and costs necessary to make the sale (net realisable value) is lower than cost. Cost is computed on the basis of the FIFO method.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Revenue is recognized over time using the input method (percentage-of-completion) of revenue recognition during the manufacturing process if all of the following criteria are met:

- The performance creates a highly customized asset that cannot be transferred to another customer or used by the company. Assets with a sales price of 1.5 million DKK or more per unit are considered highly specialized/customized. Other equipment with an intercompany sales price between the manufacturing entity and the branch of 3.0 million DKK or more per unit is considered to be highly specialized/customized.
- If the contract includes multiple units to be produced, the thresholds above will be applied to each and every unit in the arrangement separately.
- The Company has right to payment to the performance to date at any point during the contract.

Percentage-of-completion designation must be made at the inception of the contract and changing revenue recognition methodologies in the middle of a contract is not acceptable. Recognizing revenue as material is being produced, manufactured or assembled at a third party vendor location is not allowed.

Payments received on account from customers are set off against contract work in progress to the extent that these payments on account correspond to the value of work in progress.

Prepayments

Prepayments recognised as assets comprise costs incurred concerning subsequent financial years.

Equity – Proposed dividend

Proposed dividends are recognised as a liability at the date when 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.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Warranty provisions comprise obligations in respect of repair work within the warranty period. The general provisions for warranties are recognised and measured based on past experience.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit/(loss) for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and at tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are set off within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are set off if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Liabilities

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Explanation of financial ratios

$$\textit{Profit margin} = \frac{\textit{Profit/(loss) before financials * 100}}{\textit{Revenue}}$$

$$\textit{Return on investment} = \frac{\textit{Profit/(loss) before financials * 100}}{\textit{Average operating assets}}$$

$$\textit{Gross margin} = \frac{\textit{Gross profit/(loss) * 100}}{\textit{Revenue}}$$

$$\textit{Current ratio} = \frac{\textit{Current assets * 100}}{\textit{Short-term liabilities}}$$

$$\textit{Equity ratio} = \frac{\text{Equity * 100}}{\text{Total equity and liabilities}}$$

$$\textit{Return on equity} = \frac{\text{Net profit/(loss) for the year * 100}}{\text{Average equity}}$$

Income Statement 1 October - 30 September

DKK'000	Note	2023/24	2022/23
Revenue	1	2,070,461	1,988,971
Production cost		-1,428,236	-1,488,347
Gross profit/(loss)		**642,225**	**500,624**
Distribution costs		-64,647	-42,949
Administrative costs		-328,319	-313,140
Operating profit/(loss)		**249,259**	**144,535**
Other operating income		16,713	18,653
Profit/(loss) before financial income and expenses		**265,972**	**163,188**
Results from investment in subsidiaries	2	0	172
Financial income	3	9,461	14,994
Financial expenses	3	-3,179	-13,324
Profit/(loss) before tax		**272,254**	**165,030**
Tax on profit/(loss) for the year	4	-60,340	-36,571
Net profit/(loss) for the year		**211,914**	**128,459**

Balance sheet at 30 September

DKK'000	Note	2024	2023
ASSETS			
IT-software		7,773	7,773
IT-software in progress		34,358	26,998
Intangible assets	5	**42,131**	**34,771**
Land and buildings		54,847	59,717
Plant and machinery		43,932	30,393
Fixtures and fittings, tools and equipment		6,711	9,195
Property, plant and equipment in progress		72,436	44,671
Property, plant and equipment	6	**177,926**	**143,976**
Investments in subsidiaries	7	603,498	262,341
Investments in associates	8	0	0
Receivables from group companies		12,606	12,570
Fixed assets investments		**616,104**	**274,911**
Fixed assets		**836,161**	**453,658**
Raw materials and consumables		88,237	106,990
Work in progress		194,052	136,194
Finished goods and goods for resale		125,492	124,543
Inventories		**407,781**	**367,727**
Trade receivables		177,070	108,917
Contract work in progress	9	176,949	213,574
Receivables from group companies		423,695	477,062
Other receivables		31,506	21,959
Deferred tax assets	10	0	2,675
Prepayments	11	1,633	1,773
Tax receivable		11,344	41,488
Receivables		**822,197**	**867,448**
Cash at bank and in hand		**50,186**	**253,640**
Current assets		**1,280,164**	**1,488,815**
ASSETS		**2,116,325**	**1,942,473**

Balance sheet at 30 September

DKK'000	Note	2024	2023
Equity and Liabilities			
Share capital	12	302,680	302,680
Reserve for development costs		26,799	21,058
Retained earnings		957,634	751,461
Equity		**1,287,113**	**1,075,199**
Other provisions	13	23,657	19,618
Provisions		**23,657**	**19,618**
Prepayments receivables from customers	9	64,187	117,049
Trade payables		274,635	272,355
Payables to group companies		369,533	355,276
Deferred tax liability	10	2,678	0
Other payables		94,522	102,976
Short-term liabilities		**805,555**	**847,656**
Liabilities		**805,555**	**847,656**
Equity and liabilities		**2,116,325**	**1,942,473**

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Equity Statement

DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 October	302,680	21,058	751,461	1,075,199
Allocation of reserve for development costs	0	5,741	-5,741	0
Net profit/(loss) for the year	0	0	211,914	211,914
Equity at 30 September	**302,680**	**26,799**	**957,634**	**1,287,113**

Notes to the Annual Report

1 Revenue

DKK'000	2023/24	2022/23
Denmark	620,208	546,424
Europe excl Denmark	1,183,753	1,070,346
Asia	137,375	182,306
Africa	8,063	7,219
North and South America	61,777	87,049
Other countries	59,285	95,627
	2,070,461	**1,988,971**
Production and sale of refrigeration components	323,676	292,884
Sale of refrigeration equipment	1,530,334	1,531,990
Other equipment	216,451	164,097
	2,070,461	**1,988,971**

2 Results from investments in subsidiaries

DKK'000	2023/24	2022/23
Impact from liquidation of subsidiary	0	172
	0	**172**

3 Financial income and expenses

Financial Income

DKK'000	2023/24	2022/23
Other financial income	9,402	14,994
Exchange gains	59	0
	9,461	**14,994**

Financial Expenses

DKK'000	2023/24	2022/23
Interest paid to group companies	-2,473	-2,778
Other financial expenses	-624	-10,298
Exchange losses	-82	-248
	-3,179	**-13,324**

4 Tax on profit/(loss) for the year

DKK'000	2023/24	2022/23
Current tax for the year	-54,987	-4,203
Deferred tax for the year	-5,496	-32,318
Adjustments for prior year tax	0	-1,562
Adjustments for prior year deferred tax	143	1,512
	-60,340	**-36,571**

5 Intangible assets

DKK'000	IT Software	IT Software in progress	Total
Cost at 1 October	21,642	26,998	48,640
Additions	0	7,360	7,360
Cost at 30 September	**21,642**	**34,358**	**56,000**
Amortization and impairment at 1 October	13,869	0	13,869
Amortization and impairment at 30 September	**13,869**	**0**	**13,869**
Carrying amount at 30 September	**7,773**	**34,358**	**42,131**
Amortized over	3-5 years		

6 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost at 1 October	279,018	199,407	89,101	44,671	612,197
Additions	0	0	0	50,139	50,139
Disposals	0	-1,079	0	0	-1,079
Transfers	206	22,075	93	-22,374	0
Cost at 30 September	**279,224**	**220,403**	**89,194**	**72,436**	**661,257**
Depreciation and impairment at 1 October	219,301	169,014	79,906	0	468,221
Depreciation for the year	5,076	8,240	2,577	0	15,893
Reversal of impairment and depreciation of sold assets	0	-783	0	0	-783
Depreciation and impairment at 30 September	**224,377**	**176,471**	**82,483**	**0**	**483,331**
Carrying amount at 30 September	**54,847**	**43,932**	**6,711**	**72,436**	**177,926**
Depreciated over	15-40 years	3-12 years	3-12 years	—	

7 Investments in subsidiaries

DKK'000	2023/24	2022/23
Cost at 1 October	400,382	363,381
Investments	341,157	37,001
Liquidation of subsidiary	0	0
Cost at 30 September	**741,539**	**400,382**
Value adjustments at 1 October	-138,041	-138,041
Revaluations for the year	0	0
Value adjustments at 30 September	**-138,041**	**-138,041**
Carrying amount at 30 September	**603,498**	**262,341**

Name	Place of registered office	Ownership	Equity 1)	Result for the year
Sp/f Johnson Controls Faroe Islands	Torshavn, Faroe Islands	100 %	6,274	1,589
Johnson Controls Norway AS	Vöyenenga, Norway	100 %	61,407	-51,003
Tyco Building Services Products (Norway) AS	Ökern, Norway	100 %	76,803	25,271
Johnson Controls Finland Oy	Vantan, Finland	100 %	14,415	-22,294
York Chile S.A	Santiago, Chile	100 %	54,951	-5,458
York Refrigeration Philippines Inc 2)	Makati, Philippines	100 %		

1) Equity and result for the year according to the latest published Annual Report.
2) Equity and result for the year has not been stated since the company is not obliged to publish an Annual Report.

8 Investments in associates

DKK'000	2023/24	2022/23
Cost at 1 October	60,687	60,687
Cost at 30 September	**60,687**	**60,687**
Value adjustments at 1 October	-60,687	-60,687
Value adjustments at 30 September	**-60,687**	**-60,687**
Carrying amount at 30 September	**0**	**0**

Overview of associates

Name	Place of registered office	Ownership	Equity 1)	Result for the year
York International Ltd.	Basildon, UK	24 %	-192,003	-4,880

1) Equity and result for the year according to the latest published Annual Report.

9 Contract work in progress

DKK'000	2023/24	2022/23
Market value of work completed	1,678,002	1,716,895
Payment received on account	-1,565,240	-1,620,370
	112,762	**96,525**
Recognized in the balance sheet as follows:		
Contract work in progress recognized as assets	176,949	213,574
Prepayment received from customers recognized as liabilities	-64,187	-117,049
	112,762	**96,525**

10 Deferred tax

DKK'000	2023/24	2022/23
Provision for deferred tax at 1 October	2,675	33,480
Amounts recognized in the income statement for the year	-5,353	-30,805
Provision for deferred tax at 30 September	**-2,678**	**2,675**

DKK'000	2023/24	2022/23
Provisions	790	579
Work in progress	-17,677	-13,195
Intangible assets	-1,710	-1,710
Property, plant and equipment	15,919	17,001
	-2,678	**2,675**

The deferred tax asset is recognized at the amount which the asset is expected to be realized, either by elimination in tax on future income or by set-off against deferred tax liabilities within a 5-year period. The deferred tax asset is measured based on the tax rules and at tax rates applicable at the balance sheet date when the deferred tax asset is expected to be utilized.

11 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

12 Share capital

DKK'000	2023/24	2022/23	2021/22	2020/21	2019/20
Share capital at 1 October	302,680	302,680	302,680	302,680	302,680
Share capital at 30 September	**302,680**	**302,680**	**302,680**	**302,680**	**302,680**

The share capital is not divided into classes and there are no restrictions on equity.

13 Other provisions

Other provisions comprise of anticipated warranty commitments on products delivered and accruals for loss making projects.

14 Contractual obligations

Rent and leasing obligations:

DKK'000	2023/24	2022/23
Within 1 year	10,169	9,327
Between 1 and 5 years	26,806	16,249
After 5 years	401	1,202
	37,376	**26,778**

15 Contingent liabilities

The Danish Tax Authorities have in the financial year 2011/12 made a claim that the taxable income for the assessment year 2006 should be increased equaling an additional tax payment of 1.1 billion DKK before interest. The Johnson Controls Group strongly disagree with the claim that the Danish Tax Authorities have made and consequently, the claim was appealed to the Danish Income Tax Tribunal. The Danish Income Tax Tribunal found primarily in favour of the company on 11 January 2019 and reduced the taxable income assessment to 422 million DKK. Both the Johnson Controls Group and the Danish Tax authorities still disagree with the claim held by the Danish Income Tax Tribunal and consequently both the Johnson Controls Group and Danish Tax authorities have appealed to the District Court on 11 April 2019. The District Court decided on 8 October 2020 that the case should be settled in Western High Court. Both the tax authority and the company have submitted pleadings to the high court. The case is yet to be brought to trial.

During 2024, the Ministry of Taxation submitted the Ministry's pleading number 2 containing new procedural requests and a number of other comments by which Johnson Controls Denmark ApS subsequently shared their comments. It is Management’s opinion that there has been no significant changes in the case and consequently still believe this will turn out in favor for Johnson Controls Denmark ApS.

If the Danish Tax Authorities, contrary to what management expects, should win the case, it is management's assessment that the final payment will be significantly lower than the initial claim made by the Danish Tax Authorities.

Due to the nature of the situation it is not immediately possible to assess the monetary implication or the development over time and therefore no amount relating to this claim has been recognized in the balance sheet as at 30 September 2024.

If the matter is closed in accordance with the allegations presented by the Danish Tax Authorities, this will materially affect the Company's financial position. In case the Danish Tax Authorities' claim will have to be paid in full, which is not the expectation of management, it will be necessary for the Company to obtain significant liquid funds to be able to continue as a going concern. In this case Management expects that the amount will be funded by the ultimate parent company Johnson Controls, Inc.

As mentioned in the Annual Report for 2010/11 the Company's ultimate parent company, Johnson Controls, Inc. has at 29 September 2011 terminated the American "Check The Box" rules for Johnson Controls Denmark ApS. Uncertainties still exist regarding the estimated market value of the net assets in Johnson Controls Denmark ApS in relation to the termination of "Check The Box" rules and therefore the calculated current tax for 2010/11.

The Danish tax authority has disputed the valuations used in connection with the termination of ”Check the box” and increased the taxable income for the assessment year 2011, which has resulted in an additional tax payment including interest of DKK 45 mill. Management has disputed it and appealed the claim to the Danish Income Tax Tribunal. Johnson Controls ApS has made an agreement with the tax authorities to postpone the tax payment until the dispute is resolved. However, the tax authorities have deducted the deferred tax payment in other tax and vat receivables that Johnson Controls were supposed to receive from the tax authorities.

Consequently, DKK 45 mill. is recognized in the balance sheet as a receivable from the tax authorities. Based on this there is uncertainty regarding the valuation of the amount.

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income.

The Company was until the financial year 2016 a part of a Danish joint taxation with Water Holding (Denmark) ApS as an administration company. Water Holding (Denmark) ApS has been liquidated. According to the joint taxation provision of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

As from financial year 2016 the Company is part of a Danish joint taxation group with Johnson Controls Denmark ApS as an administration company. According to the joint taxation provision of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2016 for income taxes etc. for the jointly taxed companies and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

16 Staff

DKK'000	2023/24	2022/23
Fee to the Board of Directors	50	50
Remuneration to Executive Board	1,480	1,485
Wages and salary	493,473	482,366
Pensions	44,870	38,056
Other social security expenses	3,079	3,057
	542,952	**525,014**
Average number of employees	756	767

The Executive Board and other key management personnel have been awarded Stock Appreciation Rights in the parent Company, Johnson Controls International plc. When certain conditions are fulfilled this gives the participants the possibility to exercise their Stock Appreciation Rights at a fixed price used in the program. The value of these rights depends on the market value of the shares of Johnson Controls International plc., that are traded at NYSE. The current market value of outstanding Stock Appreciation Rights issued to the Danish Executive Board and other Danish key management personnel is 3.6 million DKK at 30 September 2024 (3.2 million DKK at September 30 2023).

17 Fee to auditors appointed by the General Meeting

DKK'000	2023/24	2022/23
Statutory audit fee	1,487	1,389
	1,487	**1,389**

18 Related parties and ownership

The company’s related parties comprise:

Controlling interest

The company's related parties with controlling interest:

Johnson Controls International plc.
One Albert Quay
Cork
Ireland

Johnson Controls International plc. owns through Johnson Controls Hungary Holdings Korlátolt Felelősségű Társaság the company's share capital. There are no other related parties with controlling interest.

Johnson Controls Denmark ApS is recognised as a subsidiary in the consolidated financial statements for the ultimate parent company Johnson Controls International plc, Cork, Ireland. The consolidated financial statements for the foreign parent company can be requested on the above-mentioned address.

Other related parties

Other related parties comprise the company's subsidiaries, associates, other group companies, Board of Directors and Executive Boards and executive employees. Further, related parties comprise companies in which the above persons have substantial interests.

Related party transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(6) of the Danish Financial Statements Act.

19 Proposed distribution of income

DKK'000	2023/24	2022/23
Transferred to/(from) retained earnings	211,914	128,459
Net profit/(loss)	**211,914**	**128,459**

20 Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.