



Annual report 2024

Grundfos Water Treatment Denmark A/S

Aarhusvej 79, Stilling, DK-8660 Skanderborg

CVR no. 39 17 65 13

Approved at the Company's annual general meeting on 25 June 2025

Chair of the meeting:

.....
Inge Delobelle

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Grundfos Water Treatment Denmark A/S for the financial year 1 January - 31 December 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 of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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.

Stilling, 25 June 2025
Executive Board:

.....
Thomas Alexander Finke

Board of Directors:

.....
Inge Delobelle
Chairman

.....
Lars Schiøler Andersen

.....
Thomas Alexander Finke

Independent auditor's report

To the shareholder of Grundfos Water Treatment Denmark A/S

Opinion

We have audited the financial statements of Grundfos Water Treatment Denmark A/S for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 the 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.

Independent auditor's report

- ▶ 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Aarhus, 25 June 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Friis
State Authorised Public Accountant
mne32732

Jonas Busk
State Authorised Public Accountant
mne42771

Management's review

Company details

Name	Grundfos Water Treatment Denmark A/S
Address, Postal code, City	Aarhusvej 79, Stilling, DK-8660 Skanderborg
CVR no.	39 17 65 13
Established	9 January 1937
Registered office	Skanderborg
Financial year	1 January - 31 December
Website	www.silhorko.dk
E-mail	info.dk@grundfoswt.com
Telephone	+45 87 93 83 00
Board of Directors	Inge Delobelle, Chairman Lars Schiøler Andersen Thomas Alexander Finke
Executive Board	Thomas Alexander Finke
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKK'000	2024 12 months	2023 12 months	2022 12 months	2021 2 months	2020 12 months
Key figures					
Revenue	324,802	298,632	251,961	37,054	250,123
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-5,370	-5,689	-2,914	-994	18,535
Operating profit/loss	-14,272	-12,984	-7,950	-1,579	13,804
Net financials	4,306	1,375	21,964	5,549	24,682
Profit/loss before tax	-9,715	-11,358	14,535	3,879	38,892
Profit/loss for the year	-3,125	-6,952	14,847	4,287	35,736
Fixed assets	109,724	107,233	192,456	184,035	177,406
Non-fixed assets	183,178	201,851	198,894	123,626	131,946
Total assets	292,902	309,084	391,350	307,661	309,352
Investments in property, plant and equipment	9,023	5,361	22,611	165	2,418
Share capital	2,914	2,914	2,914	2,914	2,914
Equity	107,353	110,478	226,897	213,654	209,610
Non-current liabilities other than provisions	886	1,929	1,371	0	0
Current liabilities other than provisions	175,189	190,570	154,614	90,786	95,603
Financial ratios					
Operating margin	-4.3%	-4.3%	-2.9%	-4.5 %	5.7 %
EBITDA-margin	-1.7%	-1.9%	-1.2%	-2.7%	7.4%
Current ratio	104.6%	105.9%	128.6%	136.2%	138.0%
Equity ratio	36.7%	35.7%	58.0%	69.4%	67.8%
Return on equity	-2.9%	-4.1%	6.7%	2.0%	18.7%
Average number of full-time employees	201	190	168	163	158

For terms and definitions, please see the accounting policies.

The financial highlights for the financial years 2020 to 2022 have not been restated to reflect the policy change for Investments in group entities from the equity method to the cost method, which effects profit before and after tax, investments in group entities (balance sheet) and equity.

Management's review

Management commentary

Principal activities

Grundfos Water Treatment A/S's objective is to manufacture and service water treatment plants, including global sale through group entities.

Development in activities and financial matters

The income statement for 2024 shows a loss of DKK 3,125 thousand against a loss of DKK 6,952 thousand last year, and the balance sheet at 31 December 2024 shows equity of DKK 107,353 thousand. The income statement for 2024 shows revenue of DKK 324.8 million against a revenue of DKK 298.6 million in 2023.

Change to the accounting policy

Grundfos Water Treatment Denmark A/S has, in the financial year, decided to change the accounting policy for Investments in group entities from the equity method to the cost method. Comparative figures for the financial year 2023 have been restated to reflect the policy changes.

Reference is made to the introduction in note 1 regarding accounting policies for more details, including a description of the monetary impact of the changed accounting policy on the financial statement.

Profit/loss for the year compared to previously announced expectations

In the annual report for 2023, the Management expected a revenue in the range of DKK 310-340 million and a profit in the range of DKK 10-15 million. The revenue target was nearly reached, however the change of accounting policy and increased cost for integration influences the result significantly. Management considers the Company's financial performance in the year satisfactory under the above mentioned circumstances.

Impact on the external environment

The Company has not drawn up any CSR report, as the Parent Company has done so for the entire Group. The report is rendered in the parent company's annual report and may be downloaded from the site <https://www.grundfos.com/sustainability/sustainability-report-2024>.

Events after the balance sheet date

No events have occurred after the balance sheet date that may materially affect the Company's financial position.

Outlook

The Company's revenue for 2025 is expected to be in the range DKK 320-350 million, and a profit in the range of DKK 5-15 million.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2024	2023
	Revenue	324,802	298,632
	Change in inventories of finished goods and work in progress	515	-2,005
	Other operating income	251	251
	Raw materials and consumables	-160,734	-141,938
	Other external expenses	-27,802	-30,968
	Gross profit	137,032	123,972
4	Staff costs	-142,402	-129,661
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-8,651	-7,044
	Profit/loss before net financials	-14,021	-12,733
	Income from investments in group entities	9,778	4,222
6	Financial income	955	1,943
7	Financial expenses	-6,427	-4,790
	Profit/loss before tax	-9,715	-11,358
8	Tax for the year	6,590	4,406
	Profit/loss for the year	-3,125	-6,952

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
	ASSETS		
	Fixed assets		
10	Intangible assets		
	Acquired intangible assets	13,065	14,157
		<u>13,065</u>	<u>14,157</u>
11	Property, plant and equipment		
	Land and buildings	25,180	23,747
	Plant and machinery	12,603	10,843
	Property, plant and equipment in progress	370	0
		<u>38,153</u>	<u>34,590</u>
12	Investments		
	Investments in group entities	58,320	58,320
	Deposits	186	166
		<u>58,506</u>	<u>58,486</u>
	Total fixed assets	<u>109,724</u>	<u>107,233</u>
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	56,092	63,459
	Work in progress	3,193	4,844
	Finished goods and goods for resale	14,520	12,354
		<u>73,805</u>	<u>80,657</u>
	Receivables		
	Trade receivables	36,502	34,473
13	Work in progress for third parties	5,112	6,105
	Receivables from group entities	50,437	59,852
	Joint taxation contribution receivable	9,185	2,874
	Other receivables	4,288	7,066
14	Prepayments	2,326	4,839
		<u>107,850</u>	<u>115,209</u>
	Cash	1,523	5,985
	Total non-fixed assets	<u>183,178</u>	<u>201,851</u>
	TOTAL ASSETS	<u>292,902</u>	<u>309,084</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2024	2023
EQUITY AND LIABILITIES			
Equity			
15	Share capital	2,914	2,914
	Revaluation reserve, properties	3,983	4,173
	Retained earnings	100,456	103,391
	Total equity	107,353	110,478
Provisions			
16	Deferred tax	8,702	6,107
17	Other provisions	772	0
	Total provisions	9,474	6,107
Liabilities other than provisions			
18	Non-current liabilities other than provisions		
	Other credit institutions	886	1,929
		886	1,929
Current liabilities other than provisions			
18	Current portion of long-term liabilities	1,072	1,050
	Bank debt	1,113	3,474
	Prepayments received from customers	430	1,443
13	Work in progress for third parties	7,098	222
	Trade payables	15,667	25,282
19	Payables to group entities	138,559	146,110
	Other payables	11,250	12,989
		175,189	190,570
	Total liabilities other than provisions	176,075	192,499
	TOTAL EQUITY AND LIABILITIES	292,902	309,084

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- 2 Events after the balance sheet date
- 3 Special items
- 9 Appropriation of profit/loss
- 20 Contractual obligations and contingencies, etc.
- 21 Security and collateral
- 22 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Revaluation reserve, properties	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 January 2023	2,914	4,363	101,567	118,053	226,897
	Accumulated effect of changes to the accounting policies	0	0	-101,567	-7,900	-109,467
	Adjusted equity at 1 January 2023	2,914	4,363	0	110,153	117,430
9	Transfer, see "Appropriation of profit/loss"	0	0	0	-6,952	-6,952
	Revaluations in the year	0	-190	0	190	0
	Equity at 1 January 2024	2,914	4,173	0	103,391	110,478
9	Transfer, see "Appropriation of profit/loss"	0	0	0	-3,125	-3,125
	Revaluations in the year	0	-190	0	190	0
	Equity at 31 December 2024	2,914	3,983	0	100,456	107,353

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Grundfos Water Treatment Denmark A/S for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

Pursuant to section 112(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Grundfos Water Treatment Denmark A/S are included in the consolidated financial statements of Grundfos Holding A/S, Bjerringbro, Denmark, (reg. no. 31 85 83 56)

Changes in accounting policies

Grundfos Water Treatment Denmark A/S has, in the financial year, decided to change the accounting policy for Investments in group entities from the equity method to the cost method.

According to the equity method Investments in group entities are measured at the proportional share of the equity in the group entities adjusted to the group's accounting policies. According to the cost method the Investments in group entities are measured at cost adjusted for impairments.

The change in accounting policy is implemented, as the ownership of the company has changed and the focus is no longer on the ongoing value attributions in the form of the proportional share of the result in the underlying investments, as the owner's focus has changed to realized dividends/ cash flow from investments. It is thus assessed that the change in policy better provides a true and fair view of the return on these investments in relation to the primary users of the annual report.

The cumulative effect of the change in policy has been recognized directly in equity at the beginning of the comparative year.

The changed accounting policy has affected the financial statement at 1. January 2023 by decreasing the equity by DKK 109,467 thousand, and decreasing the value of the investments in group entities by DKK 109,467 thousand.

The changed accounting policy has decreased the profit before tax for the year 2023 by DKK 18,518 thousand (2024 by DKK 5,101 thousand) from a profit of DKK 11.566 thousand in 2023 (2024 a profit of DKK 1,975 thousand). The change has a tax effect of DKK 0 thousand (2024: DKK 0 thousand), including effect on deferred tax. Furthermore, the value of the Investment in group entities has been decreased by DKK 130.003 thousand (2024 by DKK 134.332 thousand). In total the Equity has been decreased by DKK 130.003 thousand (2024 by DKK 134.332 thousand).

Comparative figures have been restated to reflect the policy changes. The financial highlights for the financial years 2020 to 2022 have not been restated to reflect the policy changes, which effects, profit before and after tax, investments in group entities (balance sheet) and equity.

Apart from the above changes in accounting policy, the accounting policies are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Grundfos Holding A/S.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and 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 are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign group entities and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign group entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for recognition and measurement of revenue.

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer have taken place before year end and that the income can be measured reliably and is expected to be received. Revenue from the sale of services is recognised in the income statement when the services are completed and provided that the income can be measured reliably and is expected to be received.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating income

Other operating income comprise items secondary to the principal activities of the Company, including rental income from the temporary lease out of production facilities, compensation, government grants, refund of wages and salaries, gains on the disposal of intangible assets and property, plant and equipment, etc. Compensation and grants are recognised when there is reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Change in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise reduction or increase of inventories due to cost of raw materials and consumables as well as staff costs, but does not include changes in inventories of raw materials or prepayments for goods.

Raw materials and consumables

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees.

Amortisation/ depreciation

The item comprises amortisation/ depreciation of intangible assets and property, plant and equipment.

The cost net of the expected residual value for completed development projects and acquired IP rights is amortised over the expected useful life. Acquired IP rights include patents, rights and licences.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Software	3-15 years
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Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	30-50 years
Plant and machinery	3-12 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit/loss from investments in group entities

The item includes dividend received from group entities in so far as the dividend does not exceed the accumulated earnings in the group entity in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Intangible assets comprise licences and software. Intangible assets are measured at cost less amortisation and impairment losses.

Gains and losses on the disposal of licences are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total liabilities relating to operating leases and other leases are disclosed under contingencies, etc.

Investments in group entities

Investments in group entities are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received.

Work in progress for third parties

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities / Payables to group entities".

Equity

Revaluation reserve

The reserve comprises revaluations of property relative to cost net of deferred tax.

The revaluation reserve is reduced by the depreciation charges relating to the revaluation.

Proposed dividends

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are measured at amortised cost. Other liabilities are measured at net realisable value.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	$\frac{\text{Profit/loss before net financials +/-Other operating income and other operating expenses}}{\text{Revenue}} \times 100$
Operating margin	$\frac{\text{Operating profit/loss (EBIT)}}{\text{Revenue}} \times 100$
EBITDA-margin	$\frac{\text{Earnings before interest, taxes and amortisations (EBITDA)}}{\text{Revenue}} \times 100$
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}} \times 100$
Equity ratio	$\frac{\text{Equity, year-end}}{\text{Total equity and liabilities, year-end}} \times 100$
Return on equity	$\frac{\text{Profit/loss after tax}}{\text{Average equity}} \times 100$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

No events have occurred after the balance sheet date that may materially affect the Company's financial position.

3 Special items

In the financial year 2023 and 2024 a reversal of impairment losses on receivables from group entities have a positive impact on the result for the years.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK'000	2024	2023
Income		
Reversal of impairment losses on receivables from group entities	9,838	4,735
	<u>9,838</u>	<u>4,735</u>
Special items are recognised in the below items of the financial statements		
Other external expenses	9,838	4,735
Net profit on special items	<u>9,838</u>	<u>4,735</u>
4 Staff costs		
Wages/salaries	126,376	115,354
Pensions	6,144	5,312
Other social security costs	5,843	6,035
Other staff costs	4,039	2,960
	<u>142,402</u>	<u>129,661</u>
Average number of full-time employees	<u>201</u>	<u>190</u>
Remuneration to members of Management:		
Executive Board	2,847	4,111
Board of Directors	0	0
	<u>2,847</u>	<u>4,111</u>
5 Amortisation/ depreciation of intangible assets and property, plant and equipment		
Amortisation of intangible assets	3,346	3,539
Depreciation of property, plant and equipment	5,305	3,505
	<u>8,651</u>	<u>7,044</u>
6 Financial income		
Interest income, group entities	775	1,264
Other financial income	180	679
	<u>955</u>	<u>1,943</u>

Financial statements 1 January - 31 December

Notes to the financial statements

7 Financial expenses

Interest expense to Grundfos Holding A/S	5,999	4,383
Interest expense to group entities	40	114
Other financial expenses	388	293
	<u>6,427</u>	<u>4,790</u>

8 Tax for the year

Estimated tax charge for the year	-9,185	-2,046
Deferred tax adjustments in the year	2,595	-2,360
	<u>-6,590</u>	<u>-4,406</u>

9 Appropriation of profit/ loss

Recommended appropriation of profit/ loss

Retained earnings/ accumulated loss	-3,125	-6,952
	<u>-3,125</u>	<u>-6,952</u>

10 Intangible assets

DKK'000	Acquired intangible assets
Cost at 1 January 2024	25,320
Additions in the year	<u>2,254</u>
Cost at 31 December 2024	27,574
Impairment losses and amortisation at 1 January 2024	11,163
Amortisation/ depreciation in the year	<u>3,346</u>
Impairment losses and amortisation at 31 December 2024	14,509
Carrying amount at 31 December 2024	<u>13,065</u>

Financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Property, plant and equipment in progress	Total
Cost at 1 January 2024	50,706	38,526	0	89,232
Additions in the year	2,618	6,035	370	9,023
Disposals in the year	0	-1,680	0	-1,680
Cost at 31 December 2024	53,324	42,881	370	96,575
Impairment losses and depreciation at 1 January 2024	26,959	27,683	0	54,642
Amortisation/depreciation in the year	1,185	4,120	0	5,305
Reversal of amortisation/depreciation and impairment of disposals	0	-1,525	0	-1,525
Impairment losses and depreciation at 31 December 2024	28,144	30,278	0	58,422
Carrying amount at 31 December 2024	25,180	12,603	370	38,153
Property, plant and equipment include finance leases with a carrying amount totalling	0	1,179	0	1,179

Financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Investments in group entities	Deposits	Total
Cost at 1 January 2024	68,220	166	68,386
Additions in the year	0	20	20
Cost at 31 December 2024	68,220	186	68,406
Value adjustments at 1 January 2024	-9,900	0	-9,900
Value adjustments at 31 December 2024	-9,900	0	-9,900
Carrying amount at 31 December 2024	58,320	186	58,506

Group entities

Name	Domicile	Interest	Equity DKK'000	Profit/ loss DKK'000
Armacoat A/S	Denmark	100.00%	5,300	-141
Eurotank A/S	Denmark	100.00%	-772	-1,621
Grundfos Water Treatment Sweden AB	Sweden	100.00%	8,358	2,833
Grundfos Water Treatment Norway AS	Norway	100.00%	4,225	33
Grundfos Water Treatment Netherlands B.V.	Netherlands	100.00%	-9,784	-678
Grundfos Water Treatment Hungary Kft.	Hungary	92.00%	137	133
Eurowater Ltd.	Ukraine	100.00%	3,126	1,487
Grundfos Water Treatment Belgium NV	Belgium	100.00%	6,622	1,616
Grundfos Water Treatment Slovakia s.r.o.	Slovakia	100.00%	16,091	11
Eurowater spol. s.r.o.	Czech Republic	100.00%	12,137	105
Eurowater Sarl	France	100.00%	2,601	899
Grundfos Water Treatment Poland sp. Z o.o.	Poland	100.00%	52,179	10,480
Grundfos Water Treatment Switzerland AG	Switzerland	100.00%	427	75
Grundfos Water Treatment Austria GmbH	Austria	100.00%	8,862	349
Grundfos Water Treatment Germany GmbH	Germany	100.00%	54,450	7,372
Unitex Sp. z o.o.	Poland	100.00%	18,137	-4,250

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2024	2023			
13 Work in progress for third parties					
Selling price of work performed	88,469	18,199			
Progress billings	-90,455	-12,316			
	<u>-1,986</u>	<u>5,883</u>			
recognised as follows:					
Work in progress for third parties (assets)	5,112	6,105			
Work in progress for third parties (liabilities)	-7,098	-222			
	<u>-1,986</u>	<u>5,883</u>			
14 Prepayments					
Prepaid IT/Software costs	1,848	3,818			
Prepaid insurance costs	0	179			
Other prepaid costs	478	842			
	<u>2,326</u>	<u>4,839</u>			
15 Share capital					
Analysis of the share capital:					
2,914 A shares of DKK 1,000.00 nominal value each	2,914	2,914			
	<u>2,914</u>	<u>2,914</u>			
Analysis of changes in the share capital over the past 5 years:					
DKK'000	2024	2023	2022	2021	2020
Opening balance	2,914	2,914	2,914	2,914	3,004
Capital reduction	0	0	0	0	-90
	<u>2,914</u>	<u>2,914</u>	<u>2,914</u>	<u>2,914</u>	<u>2,914</u>
DKK'000	2024	2023			
16 Deferred tax					
Deferred tax at 1 January	6,107	8,468			
Adjustment for the year	2,595	-2,361			
Deferred tax at 31 December	<u>8,702</u>	<u>6,107</u>			
17 Other provisions					
Provisions in the year	772	0			
Other provisions at 31 December	<u>772</u>	<u>0</u>			
The provisions are expected to be payable in:					
0-1 year	772	0			
	<u>772</u>	<u>0</u>			

Financial statements 1 January - 31 December

Notes to the financial statements

18 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2024	Short-term portion	Long-term portion	Outstanding debt after 5 years
Other credit institutions	1,958	1,072	886	0
	1,958	1,072	886	0

19 Payables to group entities

The Grundfos Holding A/S Group has concluded an agreement regarding a cash pool scheme, according to which Grundfos Holding A/S is the account holder and Grundfos Water Treatment Denmark A/S is the sub-account holder together with the Group's other group entities. Under the terms agreed for the cash pool scheme, the bank is entitled to settle withdrawals and balances with each other whereby only the net balance of the total cash pool accounts makes up Grundfos Holding A/S' balance with the bank.

Grundfos Water Treatment Denmark A/S' account in the cash pool scheme, which is recognised as a payable to group entities, made up an account balance of DKK 136,447 thousand at 31 December 2024 (at 31 December 2023: a liability of DKK 133,515 thousand).

20 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has issued a letter of comfort to the group entities Eurotank A/S and Armacoat A/S and their suppliers. In the letters of comfort, Grundfos Water Treatment Denmark A/S commits to grant the necessary capital to the group entities.

The Company has rent liabilities with a contract term of 3 years which amounts to DKK 1,167 thousand (of which DKK 767 thousand are long-term).

Performance guarantee and prepayment guarantee of DKK 13.147 thousand have been provided by the Company's bank.

The Company is jointly taxed with the other Danish companies in the Grundfos Holding A/S Group. As a wholly-owned group entity, the Company has, together with the jointly taxed companies, joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation arrangement. The jointly taxed entities' total net liability to Danish tax authorities is stated in the financial statements of the administration company. Any subsequent corrections of the joint taxation income and withholding tax, etc., may entail an increased liability for the Company.

21 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2024.

Financial statements 1 January - 31 December

Notes to the financial statements

22 Related parties

Grundfos Water Treatment Denmark A/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Grundfos Holding A/S	Denmark	100% of the Share Capital

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Poul Due Jensens Fond	Denmark	https://www.pdjf.dk/regnskaber
Grundfos Holding A/S	Denmark	https://www.grundfos.com/media/reports-and-publications/grundfos-annual-report-2024

Related party transactions

Grundfos Water Treatment Denmark A/S was engaged in the below related party transactions:

DKK'000	2024	2023
Sales to group entities	134,261	120,995
Purchase from group entities	-25,330	-30,664
Rent	399	399
Interests to parent company	-5,999	-4,483
Net interests, group entities	735	1,150
Purchase of goods from parent company	-7,336	-6,195
Fee payments to parent company	-8,457	-4,932
Receivables from group entities	50,437	59,853
Payables to group entities	-2,112	-12,595
Cash pool	-136,447	-133,515

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Thomas Alexander Finke

Board of Directors

På vegne af: Grundfos Water Treatment Denmark A/S
Serienummer: cb025ea9-6001-44e6-a273-157bae560cd2
IP: 5.195.xxx.xxx
2025-06-26 08:52:05 UTC



Thomas Alexander Finke

Executive Board

På vegne af: Grundfos Water Treatment Denmark A/S
Serienummer: cb025ea9-6001-44e6-a273-157bae560cd2
IP: 5.195.xxx.xxx
2025-06-26 08:53:38 UTC



Lars Schiøler Andersen

Board of Directors

På vegne af: Grundfos Water Treatment Denmark A/S
Serienummer: 26a50d27-6b55-485e-acc9-0e1ee8dc1f69
IP: 193.3.xxx.xxx
2025-06-26 11:31:43 UTC



Inge Lieve Veerle Delobelle

Chairman, Board of Directors

På vegne af: Grundfos Water Treatment Denmark A/S
Serienummer: 2467551a-da08-47e8-8cc1-3c35feaecda3
IP: 217.74.xxx.xxx
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Jonas Busk Tangsgaard

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsaut. revisor

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IP: 87.63.xxx.xxx
2025-06-26 13:31:19 UTC



Morten Kronborg Friis

EY Godkendt Revisionspartnerselskab CVR: 30700228

Statsaut. revisor

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Inge Lieve Veerle Delobelle

Dirigent

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