

Poul Due Jensens Fond

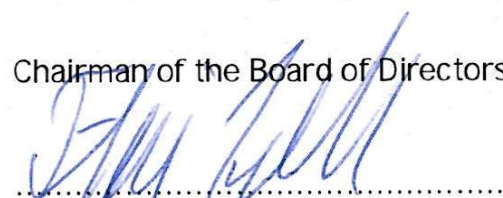
Poul Due Jensens Vej 7-11, 8850 Bjerringbro

CVR no. 83 64 88 13

Annual report 2024

The Board meeting adopted the annual report on 27 February 2025

Chairman of the Board of Directors:



.....
Flemming Konradsen

POUL DUE JENSEN GRUNDFOS FOUNDATION

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POUL DUE JENSEN GRUNDFOS FOUNDATION

Statement by Management

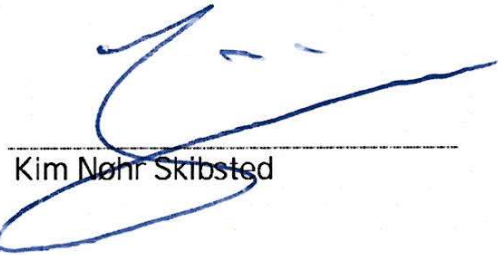
The Board of Directors and the Executive Board have today discussed and approved the annual report of Poul Due Jensens Fond for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2024 and of the results of their operations and cash flows for the financial year 1 January - 31 December 2024.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Foundation's operations and financial matters, the results for the year and the Group's and the Foundation's financial position as well as a description of the most significant risks and elements of uncertainty facing the Group and the Foundation.

Bjerringbro, 27 February 2025
Executive Board:

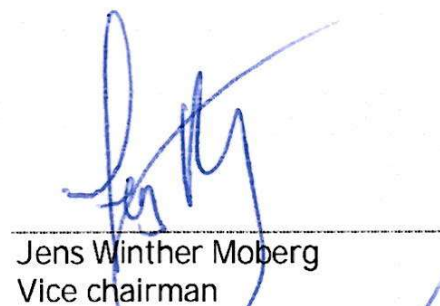


Kim Nørh Skibsted

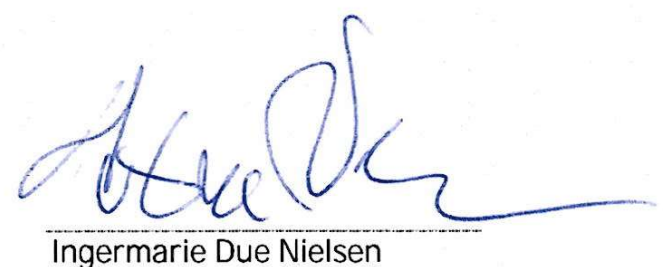
Board of Directors:



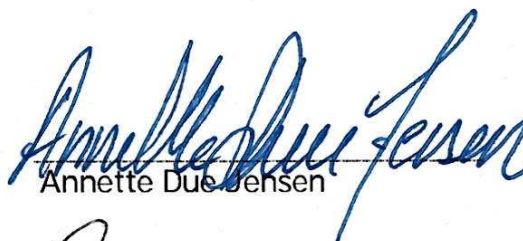
Flemming Konradsen
Chairman



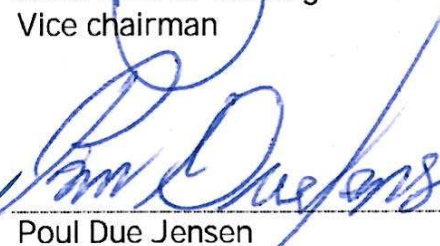
Jens Winther Moberg
Vice chairman



Ingermarie Due Nielsen



Annette Due Jensen



Poul Due Jensen



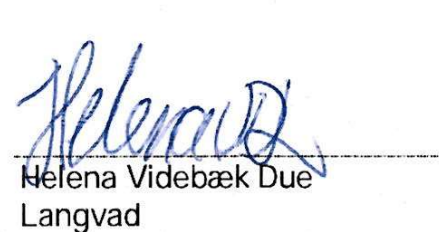
Elsebeth Nielsen



Søren Lund Nielsen



Jesper Richter Rasmussen



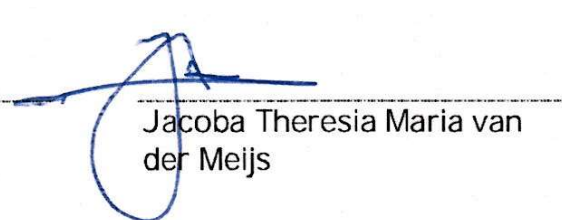
Helena Videbæk Due
Langvad



Ágnes Eszter Pauer



Melinda Briski



Jacob Theresia Maria van
der Meijs

POUL DUE JENSEN GRUNDFOS FOUNDATION

Independent auditor's report

Opinion

We have audited the consolidated financial statements and the Foundation financial statements of Poul Due Jensens Fond for the financial year 1 January – 31 December 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Foundation. The consolidated financial statements and the Foundation financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Foundation financial statements give a true and fair view of the financial position of the Group and the Foundation at 31 December 2024 and of the results of the Group's and the Foundation's operations and cash flows for the financial year 1 January – 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the Foundation financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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 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 our procedures, 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 Statements Act. We did not identify any material misstatement of the Management's review.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Independent auditor's report

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and Foundation financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 Group's and the Foundation'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 Group or the Foundation 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 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 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 Group's and the Foundation'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 Group's and the Foundation'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 Group and the Foundation 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.
- ▶ Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Independent auditor's report

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.

Copenhagen, 27 February 2025
EY Godkendt Revisionspartnerselskab
strationCVR no. 30 70 02 28



Henrik Kronborg Iversen
State Authorised
Public Accountant
mne24687



Hans B. Vistisen
State Authorised
Public Accountant
mne23254

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Group information

Poul Due Jensens Fond owns 87.9% of the share capital in Grundfos Holding A/S, while the founder's family owns 8.8% and the employees own 3.3%. Furthermore, Poul Due Jensens Fond owns 100% of the share capital in PDJF Direct Invest ApS and 100% of the share capital in PDJF A/S.

Grundfos Holding A/S, based in Bjerringbro, Denmark, is the Parent Company of the Grundfos Holding A/S Group. Grundfos Holding A/S directly or indirectly owns the entire share capital in all subsidiaries except for Grundfos Saudi Arabia Company Limited, Saudi Arabia with an ownership of 75%.

Group companies:

Argentina, Bombas Grundfos de Argentina S.A.	Egypt, Grundfos Egypt LLC	Japan, Grundfos Pumps K.K.
Austria, Eurowater Wasseraufbereitung GmbH	Egypt, Grundfos Service Egypt LLC	Kazakhstan, Grundfos Kazakhstan LLP
Austria, Grundfos Pumpen Vertrieb G.m.b.H.	Finland, OY Grundfos Environment Finland AB	Kenya, Grundfos Kenya Ltd.
Australia, DAB Pumps Oceania Pty. Ltd.	Finland, OY Grundfos Pumput AB	Korea, Grundfos Pumps Korea Ltd.
Australia, Grundfos Australia Holding Pty. Ltd.	France, Eurowater Sarl	Latvia, GRUNDFOS Pumps Baltic SIA
Australia, Grundfos Pumps Pty. Ltd.	France, Grundfos Water Treatment France S.A.S.	Malaysia, Grundfos Pumps SDN. BHD
Australia, Metasphere Australia Pty.	France, Pompes Grundfos Distribution S.A.S.	Mexico, Bombas Grundfos de Mexico Manufacturing S.A. de C.V.
Belgium, Eurowater Belgium NV	France, Pompes Grundfos S.A.S.	Mexico, Bombas Grundfos de Mexico S.A. de C.V.
Belgium, Grundfos Bellux S.A.	Germany, Biral GmbH	Mexico, DAB Pumps de Mexico S.A. de C.V.
Brazil, Bombas Grundfos do Brasil Ltda.	Germany, DAB Pumps GmbH	Netherlands, DAB Pumps B.V.
Bulgaria, Grundfos Bulgaria EOOD	Germany, Deutsche Vortex GmbH & Co. KG	Netherlands, Eurowater BV
Canada, Grundfos Canada Inc.	Germany, Eurowater Wasseraufbereitung GmbH	Netherlands, Solvermedia B.V.
Chile, Bombas Grundfos Chile SpA	Germany, Grundfos GmbH	Netherlands, Grundfos Nederland B.V.
China, DAB Pumps (Qingdao) Co. Ltd.	Germany, Grundfos Pumpenfabrik GmbH	New Zealand, Grundfos Pumps NZ Ltd.
China, Grundfos Pumps (Changshu) Co. Ltd.	Germany, Grundfos Verwaltung GmbH	Nigeria, Grundfos Water Solutions NGA Limited
China, Grundfos (China) Holding Co. Ltd.	Germany, Grundfos Dosing & Disinfection GmbH	Norway, Grundfos Water Treatment Norway AS
China, Grundfos Pumps (Chongqing) Co. Ltd.	Ghana, Grundfos Pumps Ghana Ltd.	Norway, Grundfos Norge AS
China, Grundfos Pumps (Hong Kong) Ltd.	Greece, Grundfos Hellas Single-Member A.E.B.E.	Peru, Grundfos de Peru S.A.C.
China, Grundfos Pumps (Shanghai) Co. Ltd.	Hungary, DAB Pumps Hungary Kft.	Philippines, Grundfos IS Support & Operations Centre Philippines Inc.
China, Grundfos Pumps (Suzhou) Ltd.	Hungary, Eurowater Vizkezelés Kft.	Philippines, Grundfos Pumps (Philippines) Inc.
China, Grundfos Pumps (Wuxi) Ltd.	Hungary, Grundfos Shared Services Kft.	Poland, Centrum Badawczo-Wdrozeniowe Unitex Sp.z o.o.
Colombia, Grundfos Columbia S.A.S.	Hungary, Grundfos Hungary Manufacturing Ltd.	Poland, DAB Pumps Poland Sp.Z.o.o.
Croatia, Grundfos Sales Croatia d.o.o.	Hungary, Grundfos South East Europe Kft.	Poland, Eurowater Sp. z o.o.
Czechia, Eurowater spol. s.r.o.	India, Grundfos Pumps India Private Ltd.	Poland, Grundfos Pompy Sp.Z.o.o.
Czechia, Grundfos Sales Czechia and Slovakia s.r.o.	Indonesia, PT DAB Pumps Indonesia	Portugal, Bombas Grundfos (Portugal) S.A.
Denmark, Armacoat A/S	Indonesia, PT Grundfos Pompa	Romania, SC Grundfos Pompe Romania SRL
Denmark, Eurotank A/S	Indonesia, PT Grundfos Trading Indonesia	Saudi Arabia, Grundfos Saudi Arabia Company Limited
Denmark, Grundfos A/S	Ireland, Grundfos (Ireland) Ltd.	Serbia, Grundfos Srbija d.o.o.
Denmark, Grundfos DK A/S	Ireland, Mechanical Equipment Company Ireland Ltd	Singapore, MECO Water Purification (Asia) Pte
Denmark, Grundfos Finance A/S	Italy, DAB Pumps S.p.A.	Singapore, Grundfos (Singapore) Pte. Ltd.
Denmark, Grundfos Operations A/S	Italy, DWT Holding S.p.A.	Slovakia, Eurowater spol. s.r.o.
Denmark, Grundfos US ApS	Italy, CWTS S.r.l.	Slovenia, Grundfos Ljubljana d.o.o.
Denmark, Grundfos Water Treatment Denmark A/S	Italy, F.D.T. S.r.l.	South Africa, DAB Pumps South Africa (Pty) Ltd.
Denmark, Sintex A/S	Italy Everblue S.r.l.	South Africa, Grundfos Holding South Africa (Pty) Ltd
Egypt, Grundfos Holding Egypt LLC	Italy, Grundfos Pompe Italia S.r.l.	South Africa, Grundfos (Pty) Ltd.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Spain, Bombas Grundfos España S.A.	Ukraine, Eurowater Ltd.	USA, Grundfos Americas Corporation
Spain, DAB Pumps Iberica S.L.	Ukraine, TOV Grundfos Ukraine	USA, Grundfos Pumps Corporation
Sweden, Eurowater AB	United Arab Emirates, Grundfos Gulf Distribution FZE	USA, Grundfos Pumps Manufacturing Corporation
Sweden, Grundfos AB	United Arab Emirates, Grundfos Trading L.L.C.	USA, Grundfos US Holding Corporation
Switzerland, Biral AG	United Kingdom, DAB Pumps Ltd.	USA, Mechanical Equipment Company Inc.
Switzerland, Eurowater Wasseraufbereitung AG	United Kingdom, Grundfos Manufacturing Ltd.	USA, Sterling Fluid Systems (USA) LLC (DBA Peerless Pump Company)
Switzerland, Grundfos Holding AG	United Kingdom, Grundfos Pumps Ltd.	USA, DAB Pumps Inc.
Switzerland, Grundfos Handels AG	United Kingdom, Grundfos Water Treatment UK Ltd.	USA, SFS (USA) Holding Inc.
Switzerland, Grundfos Pumpen AG	United Kingdom, Grundfos Watermill Ltd.	USA, Grundfos Water Utility Inc.
Taiwan, Grundfos Pumps (Taiwan) Ltd.	United Kingdom, Metasphere Limited	USA, Water Works Inc.
Thailand, Grundfos (Thailand) Ltd.	USA, Grundfos CBS Inc.	Vietnam, Grundfos Vietnam Company Ltd.
Türkiye, Grundfos Pompa Sanayi ve Ticaret Ltd.Sti.		

Associates via ownership in Grundfos Holding A/S and PDJF Direct Invest ApS

Base Business Bjerringbro A/S, Denmark – 21% ownership.

Megat Projekt Sp. z o.o., Poland - 50% ownership.

TEMcompany ApS – 25% ownership.

There are restrictions on access to liquidity among the Group's companies but the amounts on which the restrictions occur are immaterial.

The German subsidiary Deutsche Vortex GmbH & Co. KG, Ludwigsburg, uses the exemption in the § 264b HGB to prepare, audit and publish individual annual accounts.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Financial highlights

					Not adjusted for IFRS
DKKm	2024	2023	2022	2021	2020*
Consolidated profit and loss account					
Revenue	33,226	34,407	33,341	28,733	26,340
Earnings before interest and tax (EBIT) before special items	3,726	4,418	4,053	3,347	2,571
Earnings before interest and tax (EBIT)	4,200	4,418	3,202	3,347	2,571
Net finance income and expenses	-1,012	1,937	-2,406	-788	-1,316
Profit before tax	3,188	6,355	796	2,559	1,255
Consolidated profit after tax	2,066	4,949	268	1,793	557

Consolidated balance sheet - assets					
Intangible assets	4,504	2,818	2,609	2,627	1,217
Property, plant and equipment	7,653	7,112	6,517	6,640	6,313
Financial assets	1,321	1,111	1,214	885	779
Current assets	32,863	30,572	28,181	26,313	23,856
Total assets	46,341	41,613	38,521	36,465	32,165

Liabilities					
Equity	26,790	25,384	20,903	20,173	18,310
Non-current liabilities	8,469	6,709	7,635	6,621	6,084
Current liabilities	11,082	9,520	9,983	9,671	7,771
Total liabilities and equity	46,341	41,613	38,521	36,465	32,165

Key figures and financial ratios					
Distributions, net	295	255	236	200	194
Capital investments tangible	1,331	1,593	1,234	1,078	935
Capital investments, intangible	359	278	193	256	193
Total capital investments	1,690	1,871	1,427	1,334	1,128
Research and development costs, incl. capitalised costs	1,941	1,914	1,657	1,395	1,186
Interest-bearing net deposit/loan	18,523	17,586	14,059	14,589	13,538
Net cash flow from operating and investment activities	3,191	4,410	1,243	2,849	2,425
Sales growth	-3.4 %	3.2%	16.0%	9.1%	-4.3%
Sales growth in local currencies	-2.4 %	4.2%	12.1%	10.4%	-4.4%
EBIT before special items as a percentage of net turnover	11.2 %	12.8%	12.2%	11.6%	9.8%
Return on equity	7.9 %	21.4%	1.3%	9.3%	2.8%
Equity ratio	57.8 %	61.0%	54.3%	55.3%	56.9%

Sustainability key figures					
Emission Scope 1 and Scope 2 (1,000 t CO ₂ e)	76.0	94.1	100.3	114.6	114.9
Emission Scope 3 (1,000 t CO ₂ e)	112,040	125,224	142,120	-	-
EMS (Score)	77	78	76	77	77
Women leaders	25 %	25 %	24 %	22 %	24 %
Water withdrawal (m ³)	335,610	339,608	365,126	341,538	318,469
Number of employees of year-end	20,826	19,946	20,033	20,161	19,226

* 2020 is in 2021 adjusted for recognition of buy-back obligation.

Sales growth: Annual change in consolidated net turnover measured in DKK.

Sales growth in local currencies: Annual change in consolidated net turnover adjusted for currency impact.

Interest-bearing net deposit/loan: Securities, Cash and cash equivalents and Interest-bearing debt.

Return on equity: Consolidated profit after tax as a percentage of the average equity.

Equity ratio: Equity at year-end as a percentage of total assets.

Net cash flow from operating and investment activities: Net cash flow from operating and investments activities before impact from purchase/sale of securities and acquisition/sale of companies.

Women leaders: The figures covers share of women at all levels of the organisation.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Primary activities

Poul Due Jensens Fond (Grundfos Fonden or the Foundation) was established in 1975 by the Founder of Grundfos, Poul Due Jensen, with the aim of ensuring a financially sound and sustainable development of Grundfos and its affiliated companies.

The Foundation owns 87.9% of Grundfos Holding A/S being the supreme holding company of all other Grundfos companies worldwide. As the majority owner of Grundfos, the Foundation is therefore destined and committed to continue to own, protect and develop Grundfos. Active ownership of Grundfos is the Foundation's answer to this obligation.

Besides exercising the active ownership, the Foundation also distributes funds for philanthropic activities for the common good. Distributions for philanthropic activities are secondary to the active ownership of Grundfos Holding A/S and can hence fluctuate if the dividends from Grundfos Holding A/S become insufficient to support both, and the Grundfos Holding A/S Group would need an increased economical commitment from the Foundation.

Please refer to the section on Sustainability further down for more detailed information on the sustainability of the business.

Development in activities and finances

This year's profit in the Foundation amounts to DKK 3,610m compared to a profit of DKK 3,430m in 2023.

The Foundation made donations of DKK 295m in 2024 compared to DKK 255m in 2023 cf. below for more information. The donation level is in line with the expectations in the Annual Report for 2023 as there has been no material unforeseen events.

Statutory report on corporate governance

The Board of Directors of the Foundation consists of 12 members, of whom the Grundfos Group's EU-based employees elect four. Of the remaining eight, four are descendants of Grundfos' Founder and four are external members elected by the Board itself.

Today, the group of descendants and external board members consist of three men and five women. The gender balance is hence 37% men and 63% women among the descendants and the external members.

The Foundation's compliance target is 15 out of 17 recommendations. The Comply or Explain reports covering 2024 and previous years are available at www.pdjf.dk/governance.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Board of Directors

In March 2024 Søren Lund Nielsen, Jesper Richter Rasmussen and Ágnes Eszter Pauer replaced John Bjerregaard Jacobsen, Jens Erik Bjørklund Lysdahl and Rudolf Martini as employee representatives.

CVs for all Board members and employee representatives

Member	Flemming Konradsen (Chairman)	Jens Moberg (Vice- Chairman)	Elsebeth Gerner Nielsen
Occupation	Professor, Senior Vice President	Owner and founder of Leadership Institute and JWM Invest ApS	Strategic Director, Sangens Hus
Gender	Male	Male	Female
First elected	2019	2011	2018
Year of birth	1965	1962	1960
Mandate expires	2026	2025	2027
Re-elected	Yes	Yes	Yes
Election	Flemming Konradsen was elected as an external member by the Board of Directors	Jens Moberg was elected as an external member by the Board of Directors	Elsebeth Gerner Nielsen was elected as an external member by the Board of Directors
Grundfos Shareholder	No	Yes	No
Special competencies	Technology - Environmental health - Water supply systems - Wastewater treatment systems - Irrigation Management and leadership - Senior Vice President, Novo Nordisk Foundation (present) - Director, School of Global Health, University of Copenhagen (present) - Professor, Deputy Head of Department, University of Copenhagen (past) - Chair, Danish Research Council for Development Research (past) - Research Program Leader, International Water Management Institute (past) - Chair, management committee, Building Stronger Universities program, Universities Denmark (past) - Deputy Head of Department and Head of Section, University of Copenhagen (past) - Member of advisory and steering committees of several international research centres and programs at universities, UN organisations and Nongovernmental Organisations (past) - Leadership role in youth exchange organisation (past)	Technology - Jens has worked in high tech companies most of his career and has extensive experience in software, smart devices and cloud computing Economy and finance - As Corporate Vice President and CEO, Jens has had full P&L responsibility Sales and marketing - Jens has been responsible for very large global sales and marketing organisations. Management and leadership - Corporate Vice President at Microsoft. From 2005 to 2008 Head of Enterprise and Partner Group at Microsoft USA and responsible for a turnover of 8 billion USD. During 2008 and 2009 he was responsible for development and growth of Microsoft's Enterprise business in Russia, India and China. - CEO at BETTER PLACE DANMARK A/S from 2009-2010 - CEO at ALECTIA A/S from 2011-2013	Technology - Through her work as rector of Design School Kolding, Elsebeth has a comprehensive understanding of digitalization and new and emerging technology. - She was a member of the Danish Council for Technology and Innovation, and her special interests lie in bridging the gap between people and technology. Management and leadership - Secretary General, the Danish Folk High Schools, 2020-2021 - Rector, Design School Kolding, 2008-2019 - Vice-president Cumulus - Minister for Culture 1998-2001 - Member of Parliament 1994-2007 Economy and finance - MA, Economics (Cand.rer.soc). - Elsebeth has been in charge of the financial affairs of Design School Kolding since being appointed rector in 2008. In addition, she has gained valuable financial expertise as a board member of several Danish institutions, organization and companies

POUL DUE JENSEN FOUNDATION GRUNDFOS

Board of Directors (continued)

Special competencies (continued)

Economy and finance
- Grants review committee
- Drafting of donation strategies
- Drafting calls for proposals
- Review and selection of individuals for scholarships

Charitable donations

- Grants review committee
- Drafting of donation strategies
- Drafting calls for proposals
- Review and selection of individuals for scholarships
- Member of the Humanitarian and Development Aid Advisory Panel
- Program management and strategy development for philanthropic foundations

Grundfos history, development and values

- Shared values but no history of employment

Other managerial positions or positions of trust

- Chair, Research Council for Development Research, Danish Ministry of Foreign Affairs, Government of Denmark, since 2014
- Member, Global Health Committee, Swedish Research Council, Sweden, since 2016
- Member, Steering Committee, Norwegian Research Program in Global Health, Norway, since 2016
- Member, United Nations DDT Expert Group, UNChemicals since 2012
- Deputy Chair, Review Committee, Climate, Environment and Health Calls, Belmont Forum since 2019

Other managerial positions or positions of trust

- Chairman of the Board, Grundfos Holding A/S
- Member of the Board, Kirk Kapital
- Senior Advisor, Greenland Ressources Inc.

Charitable donations

- Vice-Chairman, SPAR NORD FONDEN
- Board member, Nikolai og Felix Fonden – H.H. Prins Nikolai's og H.H. Prins Felix's Fond
- Board member, Fonden for Det Danske Studenterhus i Paris

Grundfos history, development and values

- Elsebeth's values – sustainability and social inclusion – are commensurate with the basic values of Grundfos. She is fully committed to Poul Due Jensen's philosophy, "There are obligations that go beyond those derived from legislation and tax payments."

Other managerial positions or positions of trust

- Chairman, Fora
- Board member, Kulturens Analyseinstitut
- Board member, Nikolai og Felix Fonden – H.H. Prins Nikolai's og H.H. Prins Felix's Fond
- Board member, Fonden for Det Danske Studenterhus i Paris

Independence

Flemming Konradsen meets the independence criteria as defined by the Danish Committee for Good Foundation Governance.

Jens Moberg does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reason:

- Is a shareholder in the Grundfos Group
- Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation

Elsebeth Gerner Nielsen meets the independence criteria as defined by the Danish Committee for Good Foundation Governance.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Board of Directors (continued)

Member	Poul Due Jensen	Helena Videbæk Due Langvad	Ingermarie Due Nielsen
Occupation	Group President & CEO, Grundfos	Global Digital Marketing Manager	Stud farm owner
Gender	Male	Female	Female
First elected	1993	2022	1975
Year of birth	1971	1994	1951
Mandate expires	2027	2026	2025
Re-elected	Yes	No	Yes
Election	Poul Due Jensen was elected by the Board of Directors among the descendants of Grundfos' founder. Poul Due Jensen was initially elected in August 1993, effective from February 1994	Helena Videbæk Due Langvad was elected by the Board of Directors among the descendants of Grundfos' founder, Poul Due Jensen	Ingermarie Due Nielsen was elected by the Board of Directors among the descendants of Grundfos' founder, Poul Due Jensen
Grundfos Shareholder	Yes	Yes	Yes
Special competencies	Management and leadership - Various leadership positions in Canada, USA, Singapore and Denmark Sales and marketing - Business Administration and Marketing and Executive education from Stanford University, IMD and INSEAD. - Experience in sales, marketing and branding since 1994 Group Executive Vice President in Grundfos Holding A/S – responsible for sales, marketing and service from 2015 to 2019 Grundfos history, development and values - Founder's grandson - Lifelong experience with Grundfos history, development and values Other managerial positions or positions of trust - Board member, Green Hydrogen Systems A/S, Kolding	Economy and finance - Master of Science (MSc/Cand.merc) in Economics and Business administration – B2B Marketing and Purchasing - Financial Planner in Financial Planning and Analysis at Grundfos - Experience in Finance, Analysis and Sales Sales and marketing - Global Digital Marketing Manager in CBS at Grundfos - Bachelor's degree (BA) in international marketing management - Head of Marketing at Kanpla (a SaaS Company) - Experience in Sales and Marketing Technology - Product Owner in Candeno (a SaaS Company) Management and leadership - Graduate responsible in CBS Marketing at Grundfos - Board member, Danish Business Association of Singapore - Business Development Manager in Candeno (a SaaS Company) Grundfos history, development and values - Founder's great-granddaughter - Lifelong experience with Grundfos history, development and values Other managerial positions or positions of trust - Board member, Danish Business Association of Singapore	Economy and finance - Board member in Nutrax Finance from 1991 to 1996 Management and leadership - Manager – Elkær Stutteri from 1974 - Board member and consultant in Nutrax ApS from 1992 to 2004 - Board member in Elkær Stutteri ApS from 1986 -1992 Charitable donations - Board member, Jubilæumsfonden for Grundfos A/S Grundfos history, development and values - Founder's daughter - Lifelong experience with Grundfos history, development and values Other managerial positions or positions of trust - Board member, Ingermarie Due Nielsen's Fond - Board member, Elkær Stutteri's Fuldblodsfond - Board member, Jubilæumsfonden for Grundfos A/S
Independence	Poul Due Jensen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reason: - Has been a member of the Board of the Poul Due Jensen Foundation more than 12 years - Is an executive of the Grundfos Group - Is a shareholder in the Grundfos Group	Helena Videbæk Due Langvad does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: - Is a shareholder in the Grundfos Group - Is a niece of Grundfos' CEO, Poul Due Jensen	Ingermarie Due Nielsen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: - Has been a member of the Board of the Poul Due Jensen Foundation more than 12 years - Is a shareholder in the Grundfos Group - Is an aunt of Grundfos' CEO, Poul Due Jensen

POUL DUE JENSEN GRUNDFOS FOUNDATION

Board of Directors (continued)

Member	Annette Due Jensen	Jacoba Theresia Maria van der Meijs	Melinda Briski
Occupation	Business Student	Non-Executive Director	HR Manager (Country & Plant HR Support, Hungary))
Gender	Female	Female	Female
First elected	1989	2023	2020
Year of birth	1969	1966	1984
Mandate expires	2028	2028	2028
Re-elected	Yes	No	Yes
Election	Annette Due Jensen was elected by the Board of Directors among the descendants of Grundfos' founder. Annette Due Jensen served on the Board of Directors from 1989-1994 and again from 2018 onward.	Jabine van der Meijs was elected as an external member by the Board of Directors	Melinda Briski was elected among the EU-based employees of Grundfos
Grundfos Shareholder	Yes	Yes	No
Special competencies	Management and leadership - Business Academy Education in Economics and Leadership - Copenhagen Business School – Executive Board Education 2014 - Independent owner of a dermatology clinic (2007-2010) - Professional skin therapist (1994-2006) - Doctor examined skin therapist (1992-1994) Sales and Marketing - Sales and marketing consultant E. Sæther Copenhagen and L'Oréal Copenhagen - Sales and Marketing, Grundfos Fresno - Examined Front Desk Manager Grundfos history, development and values - Founder's granddaughter - Lifelong experience with Grundfos history, development and values - Foundation Board Member from 1989-1994	Management and leadership - Jabine worked in executive finance roles for Shell in the UK, Brunei, Australia, and the Netherlands, including: - Finance Director Shell Australia (2007-2009) - Global Vice President Finance Capital Projects, Shell Global Solutions (2010-2016) - Jabine was Executive Vice President & CFO of The Royal Schiphol Group (2017-2021) Economy and finance - Qualified Accountant (ACMA/CGMA) - Extensive career in various executive finance leadership roles, covering a broad range of areas, such as strategy, accounting, reporting, business planning, treasury, M&A, economics & investment decisions, audit, risk & control, governance, finance systems, tax, insurance, commercial procurement and IT Technology - Jabine has worked throughout her career in high-tech companies where technology and innovation are at the core of the business Grundfos history, development and values - Shared values - Member of the Grundfos Holding Board since 2021 Other managerial positions or positions of trust - Board member at Grundfos Holding A/S - Board Member at various other international companies - Chane Terminals Holding - Pharming NV - VFS Global AG - CHDR Foundation	Management and leadership - Group management and translation for Royal Days international folk dance festivals Economy and finance - Weekly headcount follow up - Statistics analysis Sales and Marketing - College degree faculty of Economics 2003-2007 - NQR examination major of Marketing 2008 - Degree in Communication and Media Studies 2021-2024 Grundfos history, development and values - Grundfos employee in different roles since 2010 - Works Council member 2012-2014 (GMH)
Independence	Annette Due Jensen does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: - Is a shareholder in the Grundfos Group - Sibling to Grundfos' CEO, Poul Due Jensen	Jabine van der Meijs does not meet the independence criteria as defined by the Danish Committee for Good Foundation Governance for the following reasons: - Is a shareholder in the Grundfos Group - Double membership of the Board of Grundfos Holding A/S and the Board of the Poul Due Jensen Foundation	Melinda Briski is an employee representative and thus not considered independent.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Board of Directors (continued)

Member	Ágnes Eszter Pauer	Søren Lund Nielsen	Jesper Richter Rasmussen
Occupation	Senior Secretary	Senior Service Specialist	Lead Community Engagement Specialist
Gender	Female	Male	Male
First elected	2024	2024	2024
Year of birth	1976	1975	1982
Mandate expires	2028	2028	2028
Re-elected	No	No	No
Election	Ágnes Eszter Pauer was elected among the EU-based employees of Grundfos	Søren Lund Nielsen was elected among the Denmark-based employees of Grundfos.	Jesper Richter Rasmussen was elected among the Denmark-based employees of Grundfos
Grundfos Shareholder	No	Yes	Yes
Special competencies	Management and leadership - Social responsibility related project management - Event planning, organizing and execution - Leading several refurbishment project in different Plants Economy and finance - Negotiation of projects and financial follow up of their execution Charitable donations Practical cooperation with different NGOs, including: - Caring Hands Association (support children in foster homes) - St. Kristóf House (home for disabled people) - Aska Foundation (dog shelter) Technology - SAP key user and trainer Grundfos history, development and values - Senior Assistant to Plant Director since 2013 - Particularly focused on social responsibility and community grants	Technology - Worked 9 years in product development, building prototypes. - In my many years working for Grundfos, I have worked both in production, product development and service. This has given me a broad experience with tools, technologies, processes and a high knowledge of our portfolio of products. Grundfos history, development and values - Employed from 1990-1995 and from 2001 in various positions: apprentice, tool-setter, maintenance technician, development, and currently in Service. - Strong belief in our founders' values. Other managerial positions or positions of trust - Chairman, Grundfos Jubilee Club	Sales and Marketing - Master's degree in Corporate Communication that includes marketing, plus a number of years in the digital consultancy and e-commerce business. Charitable donations - Have worked with the Community Engagement Grants since 2020 and been responsible for them since 2021. Grundfos history, development and values - Joined Grundfos in 2014 as an Application Specialist in the IS department. Transitioned to Sustainability department in 2017 as a Senior Sustainability Advisor and took responsibility of Water2Life. Responsibility of Community Grants was added in 2021. Moved to HR in 2022 but kept current responsibilities. Now also responsible for volunteering globally in Grundfos. Other managerial positions or positions of trust None
Independence	Ágnes Eszter Pauer is an employee representative and thus not considered independent.	Søren Lund Nielsen is an employee representative and thus not considered independent.	Jesper Richter Rasmussen is an employee representative and thus not considered independent.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Active ownership of Grundfos

The Foundation's primary asset is the 87.9% shareholding in Grundfos Holding A/S. The Foundation exercises its controlling ownership through election of not only the board members of Grundfos Holding A/S, but also via direct election of the chairman and the vice-chairman of the Board of Directors of Grundfos Holding A/S.

According to the Articles of Association of Grundfos Holding A/S, board members, chairman, and vice-chairman of the Board of Directors are directly elected at the Annual Meeting of Shareholders.

Besides, the Foundation has an ongoing dialogue with the Grundfos Holding A/S Board of Directors and Executive Management on development of Grundfos in general, but especially on long-term ambitions in respect of

- ▶ Annual organic growth in turnover
- ▶ Annual pre-tax profit
- ▶ A capital structure based on a high equity interest
- ▶ Return on equity
- ▶ Best-in-market development, manufacturing, sale and service of highly innovative products
- ▶ A socially responsible company believing that there are obligations that go beyond those derived from legislation and tax payments
- ▶ Sustainability in products, production processes and other activities, and
- ▶ Adherence to the Founders' six values (cf. section on Sustainability below).

This year's profit in Grundfos amounts to DKK 3,433m compared to a profit of DKK 3,422m in 2023, of which 50% is expected to be distributed to the shareholders: The Foundation, the Founder's descendants and the employee shareholders.

Detailed information about the performance and development of the entire Grundfos Holding A/S Group is available in the Annual Report of Grundfos Holding A/S to be published on www.grundfos.com. The consolidated result of the Foundation and the Grundfos Group can be found in this report.

Responsible investments

The Foundation wants to have an investment portfolio with a strong profile in respect of environmental, social and governance (ESG) factors, while maintaining an acceptable risk profile.

In addition to its dividend income from Grundfos, the Foundation invests its liquid reserves. The Foundation invests in securities (bonds, equities and mutual funds) to ensure a long-term return on investments.

The level of risk related to the investments must not impact the Foundation's capability to maintain active ownership of the Grundfos Group.

The Foundation wishes to contribute to sustainable development, which also means investing under a specific ESG policy, where both ethical principles and ESG principles for investments are determined, including investments under the UN Global Compact principles.

As part of the investment focus on ESG, the investment portfolio (i.e. stocks and bonds) is also closely monitored and measured regarding ESG.

The Foundation may, extraordinarily, and upon approval by the Board of Directors, invest in incubator-like technology companies that may eventually provide a commercial advantage for Grundfos. Such investments must be made upon request from or in consultation with the Grundfos Group, and the Foundation must secure intellectual property rights, patents and technology access with its investment.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

- ▶ In 2023, the Foundation established a direct investment company, PDJF Direct Invest ApS, which has bought a minority stake in TEMcompany ApS (formerly Aarhus GeoInstruments ApS).
- ▶ In 2024, the Foundation established the holding company PDJF A/S, which will build and own the future Grundfos headquarters in Bjerringbro.

The Board of Directors of the Poul Due Jensen Foundation is the sole responsible decision-making body concerning the Foundation's investments.

Philanthropic activities

The Foundation's philanthropic activities are based on the Foundation Strategy, covering three main areas:

- ▶ **Water & Development:** increase societal resilience towards water challenges and the accelerating effects of climate change for people where water is a challenge.
- ▶ **Research & Innovation:** create knowledge and solutions for the world's water-related challenges as well as rethink future industrial production with a transition towards sustainability and circular economy.
- ▶ **Social Inclusion:** create opportunities for people who have lost their sense of belonging by improving well-being and addressing deep-rooted systemic inequalities.

It is now 50 years since the Poul Due Jensen Foundation was established with the clear purpose of protecting, strengthening and developing the Grundfos company. The Foundation's ownership role has since been supplemented with philanthropic activities and investments.

Every year, the Grundfos company has delivered great financial results, making it possible for the Foundation to pursue its mission. The Foundation operate in a changing world where the USA has chosen its own path, war has returned to Europe, the conflict in the Middle East has flared up again, trade barriers are part of the geopolitical game, and climate challenges are ever present. Globalisation has been replaced by regional and continental interests, which risk overshadowing important and universal perspectives. A new world order is coming into being.

Philanthropic perspective

In its philanthropic efforts, the Foundation brings about necessary and lasting improvements benefitting people and the environment. Major efforts have been initiated together with like-minded partners to show that alliances can drive essential changes and improvements. In 2024, the Foundation made grants worth DKK 295 million in total.

Together with four major Danish universities, we have developed a sustainable method to extract phosphorus from lake sediment and commercialise it for the benefit of us all. We are in dialogue with the Danish environmental authorities to scale the use of such technology to clean not just lakes, but also fjords and inland waters. This knowledge can be exported to countries facing similar challenges. We see good prospects in contributing to the revival of lakes and restoration of biodiversity.

In Ukraine, we have actively engaged in assisting with humanitarian efforts and providing clean water in shattered towns. We have supported vital aid for people in need in Sudan, Gaza, Lebanon and other countries.

We partnered with the Danish sporting community to raise awareness of, and gratitude for, the Danish veterans. By honouring them and engaging others to do likewise, we provided perspective on the veterans' plight, which has resonated widely and is now being taken up and addressed long term by the Danish armed forces.

A strong, innovative alliance between the Novo Nordisk Foundation, the LEGO Foundation, the Grundfos Foundation, and Danish and Kenyan authorities in Kenya will now provide refugees with equal access to health services, education and clean water. This provides the opportunity and right to create for themselves a better life close to their country of origin. Other countries, foundations and organisations are showing an interest in creating similar initiatives, because together we can achieve much more

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Strong local engagement

As the owner of the Grundfos Group and its affiliated companies, our desire has been to create the opportunity for local engagement and to live out our common values in collaboration with others. This has happened across most of the world, and we are delighted to see that the Foundation's contributions are producing sustainable results on both a large and small scale. This, coupled with the Grundfos Group's unique volunteering programme, which gives employees three paid days to engage locally, has resulted in specific, lasting programmes within education, environment and active citizenship. The front page of this year's Annual Report illustrates one such programme, where Grundfos colleagues in Vietnam have set about removing plastic waste from rivers and other watercourses. Hundreds of other programmes in various parts of the world bear testimony to a huge desire to contribute.

Solid revenue

The Foundation's two major revenue streams are dividends from shares in the Grundfos Group and returns on stocks and bonds. Grundfos has once again generated good sales and sound earnings, which strengthens the Foundation's prospects for consolidation and a philanthropic offensive. The Foundation's asset management has been strengthened with new competences and a more flexible approach, but we continue to manage with a purposefully strong focus on sustainability, environment and social rights.

Together with others

The Foundation was established 50 years ago to care for Grundfos, ensure its long-term presence and safeguard its independence. The Foundation's corporate structure has been shaped accordingly, among other things with a direct investment company and, more recently, a holding company, PDJF A/S, which can more effectively drive and ensure the Foundation's investments. The Foundation has also concerned itself, through its ownership and other activities, with working with others to create better conditions for the world, people and the environment, for example learning and educational institutions, researchers, authorities, NGOs, foundations and, of course, Grundfos.

Donations

The Board of Directors established an overall framework for donations of DKK 375m for the period from March 2024 to February 2025 including DKK 75m for unforeseen events. In 2024, the Foundation committed donations for DKK 295.0m to philanthropic projects within the strategic focus areas and increased the level compared to DKK 255.9m in 2023. After deducting the returned donations from unrealized projects, the total amount of donations in 2024 was DKK 294.9m (2023: DKK 255.5m).

Community engagement grants

The Poul Due Jensen Community Engagement Grant supports local community engagement in locations where Grundfos is present with offices or factories. This gives Grundfos companies and their employees better options to engage with the local community. The grant is only and directly given to a local authority, NGO, institution (or similar) that engages in social responsibility and is recommended by the local Grundfos staff. The initiative has become a success as local engagement and follow-up is very much needed to ensure progress and satisfactory results. The Foundation will continue and strengthen the Community Grant in the future and paired with the Grundfos Group's volunteering policy offering employees three paid days' leave to do voluntary work, our combined efforts can be a driver for progress all over the world.

In total, the Foundation committed DKK 22.2m to Community Engagement Grants.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Water and development

Since Poul Due Jensen built his first pump in 1945, Grundfos has been a pioneer in providing innovative and sustainable water solutions.

The Foundation understands water as a fundamental prerequisite for human development and quality of life, and providing access to water reduces inequality and societal improvement.

Our aspiration is to increase societal resilience in relation to water challenges and the accelerating effects of climate change for people living in places where water is a challenge.

DKK 123.4m from the Foundation were committed to Water and Development.

Research and Innovation

Relentless innovation was the driving force for our founder, Poul Due Jensen. The Foundation follows the founder's view that the world is full of problems that can be solved in a better way.

Our aspiration is to create knowledge and solutions for the world's water-related challenges and rethink future industrial production with a transition towards sustainability and a circular economy.

In total, the Foundation committed DKK 85.1m to research and innovation initiatives in 2024.

Social inclusion

In 1968, when Poul Due Jensen set up one of the world's first privately held sheltered workshops, he created a new inclusive space for marginalised people.

The Foundation believes in the fundamental value of communities. Everybody needs to feel part of a community, and everybody can contribute to communities and society.

Our aspiration is to create opportunities for people who have lost their sense of belonging by improving well-being and addressing deeply rooted systemic inequalities.

The 2024 social inclusion initiatives ended at DKK 47.7m.

Other

Grundfos was founded in 1945. In 1975, the Foundation was established as its majority owner.

The main purpose of the Foundation is to contribute to safeguarding and expanding the financial foundation of Grundfos, ensuring the continued existence and development of a healthy, commercial, and financial basis for the Grundfos Group.

With its obligation to give back to society, the Foundation contributes to creating a better world than the one we inherited through the three main donation areas and by investing in Bjerringbro and the surrounding area to develop and support relevant institutions, Grundfos interests and social causes closely aligned with the values of the founder.

The 2024 other initiatives ended at DKK 14.8m.

Awards

The 2024 Grundfos Prize was awarded to Professor Daniela Pigosso, Technical University of Denmark, Department of Civil and Mechanical Engineering for her work on mitigating unintended rebound effects of sustainability innovations.

4 students received the Grundfos Prize student awards and 64 lucky and talented Grundfos employees received the Grundfos People award from the Poul Due Jensen Foundation in 2024. Furthermore, Beyond the City and Netspring received the Grundfos People Community Engagement award. The winners were invited to Denmark for a celebration.

In total, the Foundation awarded DKK 1.8m in 2024.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Returned donations

During 2024, donations of DKK 0.1m was returned to the Foundation.

Sustainability in the Foundation

Sustainability is a key value of the Foundation. Furthermore, it is an important part of the Foundation's and the Grundfos Group's values to act in a socially responsible and sustainable way. The six values of the Founder define the way Grundfos and the Foundation operate:

- ▶ Sustainable: Grundfos runs its business in a responsible and ever more sustainable way. We make products and solutions that help our customers save natural resources and reduce climate impact. We take an active role in the society around us. Grundfos is a socially responsible company. We take care of our people - also those with special needs.
- ▶ Open and trustworthy: In Grundfos we do what we say, and we say what we do. Our communication is open and honest among ourselves and with the world around us. We put the facts on the table – also when it is not pleasant.
- ▶ Focused on people: Grundfos is our people. We develop the individual. Everyone in Grundfos has passion and potential. Everyone has the power to influence. Everyone must feel respected and valued.
- ▶ Independent: The main shareholder of Grundfos – now and in the future – is the Poul Due Jensen Foundation. Profit is a means to growth – not a goal in itself. We ensure a healthy financial foundation at all times.
- ▶ Partnership: Grundfos creates value through close relations with customers, suppliers and other stakeholders. We are a global company building on local entrepreneurship. We believe that diversity drives innovation and growth.
- ▶ Relentlessly ambitious: In Grundfos we never stop challenging ourselves to create better solutions faster. We take pride in delivering premium quality in everything we do. We show leadership and innovate the future.

Principles, policies and risk management in the daily and philanthropic activities

The Foundation's philanthropic activities directly affect the lives of thousands of beneficiaries, while the daily activities affect its own employees as well as employees of its partners and suppliers. Hence, we are very aware of our positive, as well as potential risk of negative impact on society and employees. This is also the case for our financial activities.

- ▶ Regarding human rights, the Foundation must consider whether its suppliers and partners adhere to its high standards and whether (financial) activities and projects contribute to improving the lives and opportunities of the people affected.
- ▶ Regarding environment and climate protection, the Foundation must consider how the environmental footprint of its (financial) activities and philanthropic projects affects the world.
- ▶ Regarding social and employee matters, the Foundation must consider how its (financial) activities impact the lives of employees both physically and psychologically. The same goes for the partners and suppliers of the Foundation and the communities that are at the receiving end of the Foundation's philanthropic projects.
- ▶ Regarding bribery and anti-corruption, the Foundation must consider how to manage its liquid reserves responsibly and continuously nourish a collaborative environment where integrity and high ethical standards are valued and rewarded, both internally and with its partners and suppliers.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

The Foundation's offices are located in buildings owned and serviced by Grundfos in accordance with ambitious principles and policies. Besides, the Foundation began focusing on sustainability in its own daily operations in 2017. The first step in this direction was to engage a cradle-to-cradle certified printing company for delivery of printed material to the Foundation. This work continues. The Foundation supports the UN Global Compact principles. Furthermore, the Foundation strives to direct its investments and portfolio towards a greater focus on ESG (Environmental-Social-Governance) even though the boundaries move constantly.

Besides working directly with UN Sustainable Development Goal 4 (Quality education), Goal 6 (Clean water and sanitation), Goal 7 (Affordable and clean energy), Goal 8 (Decent work and economic growth) and Goal 9 (Industry, innovation and infrastructure) in the philanthropic activities, the Foundation indirectly works with UN Sustainable Development Goal 1 (No poverty), Goal 2 (Zero hunger), Goal 3 (Good health and wellbeing), Goal 5 (Gender equality), Goal 10 (Reduced inequalities), and Goal 13 (Climate action). Our investment policy follows UN Global Compact principles.

The Foundation has integrated sustainability and focus on resilience in philanthropic strategies and in the processes for developing philanthropic projects. The philanthropic strategies are focused on creating a positive impact in a number of areas, including social and human rights matters as well as environmental and climate protection. Sustainability and resilience of the supported initiatives are also - in their core meaning - direct and strict requirements and measures of success in all philanthropic projects as defined in the strategy document. The processes of ensuring sustainability and resilience after the Foundation's engagement with the project has ended has its own dedicated phase in the project development model applied by the Foundation.

The Asset Management also contains policies (Investment and ESG). The objective for the Investment Portfolio of the Foundation is to be oriented toward environmental, social, and governance factors (ESG) and thereby ESG is a fundamental part of assessing an investment. The ESG Policy will outline the principles for how to invest in a sustainable and responsible way alongside the more fundamental assessment of investments and the ESG Policy should be seen together with the Investment Policy of the Foundation. The ESG Policy defines how ESG and exclusion should be observed in the Investment Portfolio.

The Foundation runs a lean organization and partnering is therefore key to reaching our philanthropic goals. We evaluate our partners carefully to ensure that values and goals are aligned and that the partners' organization has the necessary resources to execute the projects in line with the ambitions of the Foundation. To ensure that philanthropic donations are not misused, and partners behave with the same high ethical level as we expect from ourselves. We believe in trust and impact-documented programs and projects.

It is the ambition that The Foundation and all partners meet at least once annually at an executive level to discuss results, strategic opportunities, and challenges of the partnership.

Statutory statement on social responsibility, cf. FSA § 99a

Poul Due Jensens Fond (the Foundation) was established by Poul Due Jensen, the founder of Grundfos. As the majority shareholder of Grundfos, the Foundation's primary objective is to control and safeguard the company. Consequently, the Foundation's influence on society and the environment is closely tied to Grundfos's business operations. Hence, reporting on social responsibility, in accordance with the statutory requirements of FSA §99a, focuses on Grundfos's initiatives within corporate responsibility.

Continuity and balance in our reporting

We are dedicated to achieving consistency in our sustainability reporting, prioritizing transparency about our goals, advancements, and obstacles. In 2024, Grundfos refined its double materiality assessment, following our initial assessment in 2023 as part of our commitment to comply with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). This assessment will be revisited each year to inform and shape Grundfos's strategic choices and direction in the future.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Business model

Grundfos is an international leader in water technology, with a presence in over 100 countries worldwide. Through four key business divisions; Commercial Building Services, Domestic Building Services, Industry, and Water Utility, Grundfos aims to develop innovative solutions to address global water and climate issues while enhancing the quality of life for people around the world. The company's primary offerings include circulation pumps, submersible pumps, and centrifugal pumps.

Human Rights

Respecting human rights is integral to our mission and core values. We honor the integrity and dignity of every individual and acknowledge our duty to uphold human rights within our operations, throughout our value chain, and in the communities we impact and belong to. Our commitment is guided by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises.

Grundfos is a manufacturing company that require raw materials and operates in regions characterized by elevated risks pertaining to human rights and labor issues.

Therefore, we have designed sustainability due diligence processes internally to identify, evaluate, prevent, mitigate, and manage potential risks and impacts on our workforce, workers within our value chain, and the communities we engage with. These measures ensure that we effectively address any issues we may cause, contribute to, or are directly connected with. Grundfos works actively to incorporate human rights and due diligence considerations into our internal processes and policies, enabling us to meet our commitments, strategies, and goals as outlined in our Human Rights Policy.

Based on these commitments, we adhere to essential international standards for human and labor rights, as outlined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and our dedication to upholding human rights is articulated in our Group Code of Conduct, Human Rights Policy, Salient Human Rights Issues document, and Supplier Code of Conduct. These policies are applicable to all employees, contractors, suppliers, business partners, and the communities impacted by our operations.

In 2024, we undertook several initiatives, including a comprehensive human rights risk and saliency assessment across the entire organization to update our identified salient human rights issues, and we began a benchmark assessment to evaluate the living wage for our workforce. In preparation of reporting under regulations such as the CSRD and the Corporate Sustainability Due Diligence Directive (CSDDD), we also reassessed our salient human rights issues and conducted a regulatory maturity evaluation.

The assessment revealed fifteen human rights that are at risk of significant impact, which were categorized into eight broader salient issues. In response, we intend to create action plans in 2025 to effectively monitor and address these concerns.

In 2024, we also carried out a global living wage benchmarking assessment to better understand local living wage conditions. This initiative targeted ten key markets where our presence is significant and involved systematic collection, validation, and modeling of living wage data.

We expect to have a detailed overview of the living wage situation in these locations by early 2025, enabling us to compare it with the wages of Grundfos employees and work further with living wages across our operations.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Environmental and climate issues

Grundfos is dedicated to achieving net-zero carbon emissions throughout its value chain and actively contributing to the global shift towards a fair, low-carbon, and climate-resilient economy. We believe that it is crucial to develop solutions that enhance climate and water resilience for businesses, communities, and societies in response to the impacts of climate change. Further, we are actively investigating the most effective ways to advance our work and goals related to environment and water, all while ensuring a positive impact on both people and the environment. Based on this, we conducted an assessment focuses on evaluating significant physical climate risks while also exploring the associated risks and opportunities related to circularity and a sustainable, equitable transition, which identified direct impacts of climate change on production, particularly, the disruptions caused by flooding that can lead to production halts. In 2024, we achieved a reduction of 10.5% in our scope 1, 2, and 3 emissions compared to 2023, and a 23.6% decrease relative to our baseline year.

We also created our new climate transition action plan, serving as a comprehensive and transparent roadmap for our decarbonization efforts. This roadmap details the steps we will take to achieve our near-term target for 2030. Having finalized our climate transition action plan, we will review how well our overall transition strategy aligns with our objectives. Based on this assessment, we will proceed with implementing necessary adjustments. We expect to provide the first update to the transition action plan in 2025.

Grundfos sees the potential benefits of working actively with circular economy, particularly the opportunity to recycle our products and components, which helps minimize material extraction and lower carbon emissions. By embracing circular design principles and innovative business models, we can decrease our reliance on raw materials and optimize energy consumption to reduce downstream emissions. This approach will allow us to address various risks associated with materials and natural resource management effectively. Therefore, circularity remains a significant source of inspiration and motivation for our product development and innovation efforts. We view it as a crucial factor in minimizing resource consumption while also reducing the embedded carbon and water footprint of our products.

As a result of our efforts and work within circular economy, in 2024, we successfully gathered 89,054 kg of pumps from our customers, achieving a 73% reduction in waste sent to landfills compared to our 2018 baseline. To ensure continued efforts, we have committed to take back 500,000 kg of used products and reduce waste to landfill by 50%, compared to our 2018 baseline, in 2025.

At Grundfos, we are highly reliant on water and believe that water is the most critical resource on earth, supporting ecosystems, biodiversity, and all forms of life. To promote water sustainability, we are dedicated to optimizing our products and developing intelligent water solutions that benefit our business, customers, end users, and the planet. As a result, we aim to cut our water withdrawal by 50% by 2025, using 2008 as our baseline year. As of 2024, we have successfully reached 93% of this goal. In addition, in 2024, we concentrated on evaluating water risk throughout our value chain, which included assessments of our supply chain, our operational sites, and complementary biodiversity evaluations. Our goal is to support our end users in conserving 50 billion cubic meters of water by 2030. This target reflects our commitment to helping users save water through the effective use of our products.

Also, in 2024, Grundfos became an industry partner in the "ESG – from Reporting to Business" program, a collaboration with Aarhus University and the Danish Industry Foundation. This initiative aims to create and disseminate knowledge and tools that assist Danish small and medium-sized enterprises in managing their ESG reporting effectively, using it as a catalyst for business development. By engaging and training suppliers within our supply chain, we contribute to the broader understanding of ESG-driven business practices and carbon emissions reporting.

POUL DUE JENSEN FOUNDATION GRUNDFOS

Management's review

Social and employee conditions

Our goal at Grundfos is to establish a global company culture where every individual feels included and valued, both in our virtual and physical spaces. We are committed to prioritizing equitable opportunities and harnessing diversity and inclusion as vital elements in building a sustainable future. This is, among others, to minimize the risk of losing or reducing our competitive advantage due to an inability to attract and retain skilled employees.

To achieve this, we focus on the three core aspects of diversity, equity, and inclusion (DE&I) that guide our recruitment efforts, daily operations, and overall governance in this area. When a broad range of perspectives and ideas come together, they create something truly remarkable. At Grundfos, we promote a culture of respect that nurtures a diverse and inclusive workplace, ensuring that everyone feels a sense of belonging and is valued, respected, and supported.

In 2024, we rolled out a tailored diversity, equity, and inclusion (DE&I) leadership program globally as part of our new Leadership Training Portfolio. We also implemented a "train the trainer" initiative, where colleagues from various sectors received training to facilitate discussions on inclusive work practices. This training was designed to align with our Inclusive Leadership Training, ensuring a consistent approach and language throughout the organization. Following thorough testing of the concept, we aim to expand the project further.

Additionally, we established a new employee resource group, the "Multicultural ERG," bringing our total number of ERGs at Grundfos to five. This group is dedicated to fostering a workplace that fully acknowledges and embraces the diversity of today's workforce. In 2024, we created an offline version of the program, translating it into several languages and implementing it in 22 countries to effectively engage our shop floor colleagues.

We also continued to evaluate our job postings to ensure they use inclusive language before publication. As we align with the launch of the Grundfos 2025-2027 strategy, we plan to reassess our DE&I initiatives and establish new targets and metrics that align with our strategic objectives and relevant regulatory standards. As part of our work within DE&I, in 2024, we achieved our goal of having 33% representation of women on the Board of Directors by 2025.

Anti-corruption and bribery

We strive to create a culture that is rooted in ethical behavior and business conduct. In 2024, we launched a new Code of Conduct, and during the year, 87% of Grundfos employees participated in Code of Conduct training.

Our Code of Conduct is applicable to all employees and Board members across our global operations, as well as to third parties acting on our behalf. We require that all individuals associated with our organization adhere to the principles outlined in the Code of Conduct at all times. Further, the Group Legal team thoroughly examines all instances of potential money laundering and corruption, taking appropriate action as necessary. We are committed to combating money laundering and corruption in all its forms, including extortion and bribery, as we believe it is essential for businesses to uphold these standards.

Grundfos is continuously refining its governance framework through company policies, standards, and regulations to enhance simplicity, coherence, and transparency. This work involves a thorough review of our procedures and operational methods, with the aim of updating and reinforcing our policy governance in the near future.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Gender distribution in management

The policy of the Foundation is to support diversity and gender equality in its philanthropic work as well as in its own operations and in the Grundfos Group.

Supreme governing body

Leadership levels	2024	2023
Board of Directors excl. employee representatives		
Total members	8	8
The underrepresented gender in %	37,5%	37,5%
Target in %	50%	50%
Year for meeting targets	2025	2025
Top leadership		
Total members	2	2
The underrepresented gender in %	0%	0%
Target in %	N/A	N/A
Year for meeting targets	N/A	N/A

Board of Directors: Members of the Board of Directors excl. employee representatives

Top leadership: Executive Board and next level of people leaders in Poul Due Jensens Fond. In the Foundation it corresponds to the Executive Director and the Deputy Director.

Board of Directors

In December 2013, the Board of Directors agreed on a gender equality policy and set minimum targets for female representation among the board members. In 2024, there is an equal gender distribution in the Board of Directors as the group of descendants and external board members consist of three men (37,5%) and five women (62,5%) and the targets have been fulfilled.

Other levels of management

The Foundation's top leadership is made up by the Executive Director and the Deputy Director. In 2024, these two positions were both held by men (100%) and thus, the underrepresented gender makes up 0 % of the top leadership.

End of 2024, the Foundation had 2 or fewer members on top leadership level, and thus a target for the underrepresented gender is not required.

The Foundation employs less than 50 people and has opted not to have a specific policy for the underrepresented gender in management.

Leadership levels at Group Level

The Foundation has not set a target for the underrepresented gender in the Boards of Directors at Group level or laid down a Group policy for the underrepresented gender in management. Instead, it has ensured that Grundfos Holding A/S sets its own targets and policies, and that Grundfos Holding A/S is working towards fulfilling it. Please refer to Grundfos Holding A/S' Annual Report and Sustainability Report to read the statement on target figures and policies for the underrepresented gender in the Grundfos Group.

POUL DUE JENSEN FOUNDATION GRUNDFOS

Management's review

Data Ethics Policy, cf. FSA § 99d

In the Foundation and the Grundfos Group we are committed to responsible data consumption, including when we collect, store and use personal data, and implement new technologies. In the Grundfos Data Ethics Policy, we set out the key principles for our handling of data, as per section 99d of the Danish Financial Statements Act.

Below, we set out the principles we follow when we handle data, including collect, process and use personal data, and implement new technologies:

Annual review:

- ▶ on a yearly basis measure our level of data privacy and security maturity.

Control over personal data:

- ▶ prioritize the ability of data subjects to retain control over their personal data.
- ▶ have channels for data subjects to submit requests to exercise their rights.

Employees:

- ▶ believe that our employees should never lose their right to privacy in our workplaces. Therefore, we will only process personal data of our employees in a proportional, transparent manner and only to a necessary extent, where it has a legitimate ground.
- ▶ are responsible data controllers through the whole employee journey. I.e., during our recruitment, hiring, performance development and rewarding processes we take measures to have accurate data, so we can make bias free decisions.

GDPR as a standard:

- ▶ apply the European Union General Data Protection Regulation ("GDPR") as a common standard in countries with privacy laws less strict than the GDPR.

Human rights:

- ▶ recognize that personal data is part of human dignity and that respect for personal data is a basic human right. For those reasons, we will never treat personal data as an exploitable asset.

Internal awareness:

- ▶ educate, motivate and engage our employees to understand, promote and contribute actively to our privacy compliance.
- ▶ have available training tailored to the specific roles of our employees, including data privacy training of our employees in Marketing, Sales, HR and IT Services.

Legal compliance:

- ▶ commit to comply with privacy laws and other laws governing data and stay up to date with the legal developments.

New technologies, including artificial intelligence ("AI"):

- ▶ do not employ technologies or methods that can result in unfair treatment or consequences for data subjects.
- ▶ recognize AI as a possibility for innovation and development, however always being mindful users of AI.
- ▶ intend that no business solutions enabled by the use of generative AI may be designed, tested, or implemented without the approval of an internal Generative AI Expert Group with members from Grundfos IT, Legal, and Corporate Communications
- ▶ have implemented guidelines on how to use generative AI solutions in a compliant and ethical way.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Security measures:

- ▶ implement appropriate technical and organizational measures, like using pseudonymized or aggregated data for product development whenever it is possible and implementing security and privacy measures when we develop new solutions.
- ▶ select our data controllers diligently and in line with the current security recommendations.

This policy is supplemented by some of our other policies and guidelines, including our Code of Conduct, Guidelines to Grundfos Employees On How To Process Personal Data, IT-Cybersecurity Rules of Behaviour and the above-mentioned Generative AI Guidance.

Management's report on the Group

Maintaining a robust business in a year of market headwinds

Continuing a tendency that began during the second half of 2023, 2024 was characterised by an unusual cocktail of headwinds, which impacted demand in key markets and applications negatively. Despite the market environment challenges, we maintained a robust business.

In 2024, a number of European countries and China saw an overall economy stand-still or experienced growth that was significantly lower than usual. This affected the construction sector, and particularly the activity level for new build.

Furthermore, private homeowners have for some time focused their spending on travel and leisure rather than home renovation. Similarly, across many industrial sectors, investment levels have declined after the high levels seen during the period from 2021 to mid-2023.

On top of this, after a period of stock build and growing interest rates, many channel partners focused on reducing their product stock throughout 2024.

An example is the European market for heat pumps. Until mid-2023, many heat pump suppliers ramped up capacity and built significant stock to meet the demand of the expected conversion from gas to power across Europe. Unfortunately, the required political support to drive this important change did not materialise, and the demand for heat pumps therefore slumped. As a major supplier of pumping solutions to heat pump manufacturers, this impacted us negatively.

However, Grundfos benefits from a combination of a sizeable installed base of pumping solutions, loyal channel partners and end users who appreciate our reliability, our high-quality solutions, our global reach as well as our capability of co-creating the right solutions together with our partners and customers. Consequently, we have a solid base for replacement business.

In addition, important geographies such as the US and Indian markets remained strong. Towards the latter part of 2024, other markets, for example Southern Europe, also stabilised and delivered growth.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Further, even in markets that generally represent challenges, some applications offer significant growth opportunities. An example is the soaring market for IT cooling driven by data centres, where we have established ourselves as one of the globally leading suppliers of pumping solutions.

Water-stress and climate change continue to present two of the biggest global challenges. Many of our customers around the world are fully committed to contributing to solving these fundamental issues. We are guided by our purpose of pioneering solutions to the world's water and climate challenges and improving quality of life for people as we continue helping our customers meeting their commitments. The fundamental demand for what we do therefore remains strong.

Sales reflecting challenged markets

The market headwinds that gained momentum during the second half of 2023 and continued into 2024, impacted markets deeper and persisted for a longer time than we had anticipated.

Consequently, full-year sales for 2024 amounted to DKK 33.2bn, representing a 2.4% decline compared to 2023 when measured in local currencies.

Measured in DKK, sales declined by 3.4%, reflecting a negative currency impact of 1%-point.

During the first half of 2024, our sales dropped 8.6%, whereas we delivered 4% growth during the second half of the year.

There were notable differences in market development across different applications. Where our Commercial Building Services division showed a sales growth of 1% in local currency terms, the Industry and Water Utility divisions saw a minor sales decline of 1% and 2% respectively. Due to the significant decline in home renovation and in the heat pump application in particular, our Domestic Building Services division experienced a 12% sales drop compared to 2023.

Our Peerless Pump business achieved a 9% increase in sales measured in local currencies, whereas sales in our DAB branded business remained on par with 2023.

Sales in our Water Treatment business increased by 18% over 2023, including the acquired Culligan Commercial & Industrial business.

As mentioned above, we are not satisfied with the sales decline; however, given the market situation, we are satisfied with the overall robustness of our business.

Satisfactory financial performance

In 2024, we delivered a consistent financial performance in line with our strategic ambitions for earnings and cash flow generation.

To remain competitive, we continuously develop our organisation, including our operations footprint. In 2024, we have taken several initiatives to make our business even stronger for future requirements. This includes major operations footprint changes.

In March, we inaugurated a new factory located in Changshu, China. The factory represents our single biggest factory investment so far, and it is focused on serving our Commercial Building Services customers in China and other Asian countries.

In April, we announced our intention to relocate production from our factory in Wahlstedt, Germany, to our current locations in Hungary, Serbia and Denmark. The relocation will take place over two-three years. An agreement to support the colleagues who will unfortunately lose their jobs due to the relocation of activities was made in a constructive dialogue with the local works council. The financial impact of the agreement is reflected in our 2024 financial statements. For further information, please refer to Note 19.

The agreements made in December 2022 to transfer the ownership of our two Russian Grundfos legal entities were finally approved and closed in 2024. The net financial impact is an income of DKK 474m, which is reported as a special item in our financial statements. For further information, please refer to Note 7.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

The year ended with EBIT before special items of DKK 3,726m (2023: DKK 4,418m) corresponding to a ratio of 11.2% (2023: 12.8%). This is in line with our strategic earnings ambition of a 10% EBIT ratio.

EBIT reached DKK 4,200m (2023: DKK 4,418m).

Net loss from finance items ended at DKK 1,012m (2023: net income of DKK 1,937m), driven mainly by gain of returns on our securities and loss due to change in buy-back obligation to minority interests related to shares in Grundfos Holding A/S.

Profit before tax made up DKK 3,188m (2023: DKK 6,355m) and profit after tax DKK 2,066m (2023: DKK 4,949m).

Cash flow from operating activities amounted to DKK 4,811m (2023: DKK 6,274m). The decrease in cash flow from operating activities derives primarily from lower EBIT and an increase in working capital.

We continue investing significantly in the development of new products, services and solutions. Investments in 2024 totalled DKK 1,690m (2023: DKK 1,871m), equivalent to 5.1% of revenue (2023: 5.4%).

Free cash flow ended at DKK 3,191m (2023: 4,410m), largely as a result of the decrease in cash flow from operating activities.

Our balance sheet remains strong. The equity ratio stands at 57.8% at year-end (2023: 61.0%).

Overall, we are satisfied with the financial performance in 2024, despite the sales fluctuations. Revenue growth did not meet the range forecasted for the year, yet our earnings met the targeted 10% ratio for EBIT before special items/revenue.

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Management's review

Customers in focus

"The world is full of problems that can be solved in a better way." This phrase was coined by Grundfos founder Poul Due Jensen. The mindset expressed in that sentence continues to be part of Grundfos' credo in our ambition of bringing solutions to our customers' challenges.

The feedback from our ongoing customer satisfaction surveys shows that Grundfos customers again have recognised our efforts. In 2024, we have further improved compared to the record-high customer satisfaction score our customers gave us in 2023. We have improved the score by one point overall to 82, thereby exceeding the target originally set to be reached by 2025.

Taking customer feedback is essential for us to zoom in on areas where we can support our customers even better. In 2024, one of our focus themes was the topic called 'delivery', which covered areas such as our communication to customers, delivery lead time, stock availability, customer service, real-time tracking, order processing and order accuracy. Within this area, customer feedback was significantly more positive than in 2023. This outcome is the result of a determined effort and serves as a strong inspiration for even further improvement.

Motivated and engaged people

How we serve our customers and how we provide the best possible environment for our people to be at their best are some of the most essential building blocks for our long-term success. A year of challenged markets put additional strain on our 20,826 colleagues across the world. In such a widespread organisation and challenged market situation, we must stay close to our people.

We do so in many ways. One is to invite our colleagues to participate in our annual employee motivation and satisfaction survey (EMS). Fortunately, more than 9 out of 10 colleagues decided to provide their feedback. The employee feedback is foundational for our leaders in their daily effort to make Grundfos an excellent place to work, learn and grow.

Historically, the EMS was conducted in our Grundfos branded pumping solutions business, which covers approximately 85% of our headcount. For the Grundfos branded business, the 2024 EMS confirmed the record-high overall score of 78, which was also the score in 2023.

In 2024, we invited colleagues from all parts of Grundfos Group to participate in the EMS, the only exception being the newly acquired Culligan Commercial & Industrial business in Italy, France and the UK, which for practical reasons could not make it into the 2024 EMS. With close to all Grundfos Group colleagues being part of the EMS, we saw a small drop of 1 point, which means that the Grundfos Group score was 77. This is still a very high score.

Employers around the world have in recent years been facing an increasing number of employees struggling with symptoms of stress and a decline in well-being. In our EMS, we focus on both well-being and stress. Whereas our people share positive feedback on wellbeing, stress levels are still a source of concern. We invest significant leadership resources in preventive stress management, and we constantly seek new ways of dealing with stress.

POUL DUE JENSEN FOUNDATION GRUNDFOS

Management's review

A diverse, equitable and inclusive workplace

Where a multitude of viewpoints and perspectives come together, something unique is born. In Grundfos, we want to nurture a culture that champions respect and fosters a diverse and inclusive workplace, where our people sense they belong and feel valued, respected and supported.

Across many elements of diversity, we make substantial efforts to promote a better gender balance in an industry that historically mostly has attracted males. Fortunately, that is changing across all levels of our organisation, yet it will require a continuous focus.

Our people and leaders are nudged in the right direction via training on unconscious bias, a recruitment policy that promotes recruitment of individuals from diverse talent pools, gender-mixed mentorship programmes and continued support for employee-driven Employee Resource Groups.

In 2024, we reached the 2025 target of 33% female representation on the Board of Directors. The representation of female top leaders and all-level leaders remained unchanged at Grundfos Group level. We will continue our efforts to move existing biases with training and by use of the relevant policies, as well as through our support for Employee Resource Groups.

Strong progress towards the net zero target

'Sustainable' is one of the values of Grundfos, and sustainability is at the core of our business. We engage proactively in the global water and climate agenda, firmly believing that our expertise and intelligent products can improve the lives of millions of people around the world.

We successfully continue the reduction of CO₂ emissions in line with our commitment to the Science Based Targets initiative.

For scope 1 and 2 emissions, we have committed to reducing emissions by 50% by 2030. We are likely to achieve this target already by 2025, supported by the sourcing of renewable energy for our European operations through a Power Purchase Agreement (PPA) concluded in 2023. Deliveries of green energy from the PPA started in August 2024 and are expected to cover around 80% of our European power consumption.

The vast majority of our CO₂ emissions stem from the energy consumption by our sold products (scope 3, category 11), and this is where we make the biggest impact in the combat against climate change.

Our most energy-efficient E-pumps use up to 37% less energy than a standard pump without controls, and it is our focus to grow the share sold of these energy-efficient solutions.

By the end of 2024, we have across scopes 1, 2 and 3 reduced our total carbon emissions by 23.6% compared to our 2020 baseline. This means that we are well on our way to meet our Science Based Targets initiative commitment.

Please refer to the Grundfos Sustainability Report 2024 for more detailed information on our sustainability progress. This Annual Report should be read in conjunction with the Sustainability Report. By publishing our Sustainability Report, we fulfil the requirements for corporate sustainability reporting set out in section 99a of the Danish Financial Statements Act.

Relentless focus on research and development

Innovation has never been more vital. It is absolutely key to delivering the energy-efficient and smart water solutions the world needs. It is also key for Grundfos' ability to differentiate our offerings and continue to deliver more customer value than competitors through better products, solutions and customer experiences.

To advance our innovation agenda, we have in 2024 dedicated DKK 1,941m (2023: DKK 1,914m) to research and development, equivalent to 5.8% of revenue (2023: 5.6%).

Innovation at Grundfos is a cross-company effort. Research and technology development takes place at Group level, whilst product and solutions development happens with customers and close to the applications within our four divisions.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

We conduct ongoing research into more sustainable materials, more efficient and smart production technologies as well as new software, IoT and digital platforms that help us unleash new customer value and services.

Looking back on 2024, we released 26 new products.

Examples of key launches are:

- ▶ Our new SMART Digital DDA digital dosing pump won the prestigious Red Dot Design Award for Best Product Design due to its accessibility and ease of use.
- ▶ Introduction of the new SQ pump controller, an IoT connected controller for our innovative SQ submersible pump range, which enables that the customer has seamless connectivity to Grundfos GO and Grundfos Connect. With this system, customers receive automated reporting of usage and performance of their pumps, while also preventing downtime by means of our expert analytics.
- ▶ Launch of the new and highly energy-efficient UPM10/UPM20 circulator for the heat pump business with innovative digital feature sets and high standards for robustness.

Intellectual property rights are essential for protecting our business and staying ahead of competition. In 2024, Grundfos filed 45 patents for new inventions, which is the highest level filed in recent years, and we were granted 108 new patents. We occasionally experience violations of our intellectual property rights, and since we do not accept unauthorised use of our technology or other intellectual property, we are determined to enforce our rights.

Product safety and cyber security remain critically important to Grundfos. We take lead in our industry to give customers comfort that our solutions meet high standards on safety and cyber security. In 2024, Grundfos achieved the ISO27001 certification, which validates that we have implemented an effective Information Security Management System to oversee the development and maintenance of our digital products and solutions.

Strengthening our water treatment business

On 1 September 2024, we welcomed more than 400 new colleagues as we acquired the Commercial & Industrial business of Culligan in Italy, France and the UK, headquartered in Bologna, Italy. Together with our existing Eurowater business, which is focused primarily on the North and Central European markets, we are creating a European leader in water treatment. The combined business has been renamed into Grundfos Water Treatment.

Financial risks

As a result of our global activities, Group profit and equity are influenced by a number of financial risks. Foreign exchange risks in the operating companies are managed centrally, as are interest and liquidity risks. The Board of Directors has set up a policy for the use of financial instruments.

Foreign exchange risk

Grundfos' policy is to hedge foreign exchange rates for the most essential flow of goods, i.e. sale and purchase of goods. The objective of the policy is to reduce the potential adverse short-term (up to 15 months) impact from foreign exchange rate fluctuations on cash flows and earnings, and thereby allow for planning and counteractions in case of longer-term adverse impacts.

Currency hedging is carried out centrally by Group Treasury and covers cash flow risk as well as fair value risk. Cash flow risk is hedged for a period of up to 15 months, aiming at a coverage of 50-90% of the expected exposure, whereas fair value hedging is aiming at an 80-90% coverage of the balance sheet exposure. The most important currencies hedged are USD, AUD, GBP, CNY and HUF. At the end of 2024, currency contracts to reduce the foreign exchange risk in connection with the flow of goods amounted to DKK 6,760m (2023: DKK 6,470m). Reference is made to Note 31 for further details.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Management's review

Other financial risks

Liquidity risk: Financial independence is a core value to Grundfos. Maintaining adequate liquidity is therefore key. In addition to unused borrowing facilities, net deposits amounted to DKK 18,523m by the end of 2024 (2023: DKK 17,586m).

Credit risk: Credit risks derive primarily from trade debtors, securities and bank receivables. Risks on trade debtors are diversified across a large number of customers, reducing the exposure. The credit risk on bank receivables, forward exchange contracts and similar is reduced by selecting financial business partners with a high credit rating.

Raw material risk: Grundfos does not hedge raw materials. No single raw material constitutes a significant proportion of production costs.

Uncertainty relating to recognition and measurement

In preparing the consolidated financial statements, management makes a number of estimates and assumptions related to the recognition and measurement of assets and liabilities, all of which are inherently subject to uncertainty. As of 31 December 2024, estimates and assumptions are particularly relevant in respect of the impairment testing of goodwill.

Grundfos is, as disclosed in Note 28, party to ongoing disputes and legal actions. None of these disputes and legal actions will have a significant impact on our financial position beyond what has been recognised and stated in the Annual Report.

Grundfos Strategy 2025 completed

With the launch of 'Ignite'27' in January 2025, we entered a new strategy period. This also means that we have completed our Strategy 2025.

When we launched Strategy 2025 in 2019, we could not foresee the unprecedented events that have impacted the world since 2020. Despite the many unexpected external factors, we have successfully delivered on the most important Group KPIs and ambitions we set for ourselves.

Our strategic ambitions and financial KPIs for sales growth, return on sales and cash conversion were met consistently during the strategy period. The KPIs for employee and customer satisfaction were already achieved in 2023. We have shown solid progress on our carbon emissions reduction targets and the related SBTi commitments where we are well ahead. Overall, we are satisfied with our accomplishments during the Strategy 2025 period.

Outlook for 2025 for the Foundation and the Group

For 2025, we forecast revenue growth in the range of 4-7%, including the impacts of the acquisition made in 2024. The forecast excludes impacts from potential acquisitions and divestments in 2025. Given uncertainties related to geopolitical issues, among others the potential introduction of additional trade tariffs, and due to overall uncertain market conditions, the assumptions underlying the revenue forecast may change significantly during 2025.

We forecast an EBIT before special items ratio in line with our strategic ambition of 10%.

In 2025, the Foundation will set the provision for distribution to a level of DKK 438m including DKK 88m for unforeseen events.

POUL DUE JENSEN GRUNDFOS FOUNDATION

Consolidated Financial Statements 1 January – 31 December

Consolidated statement of profit and loss

Note	Amounts in DKK Millions	2024	2023
1	Revenue	33,226	34,407
	Production cost	-19,343	-18,918
	Gross profit	13,883	15,489
2,5,6	Research and development cost	-1,839	-1,821
3,5,6	Selling and distribution cost	-5,127	-5,882
4,5,6	Administrative cost	-3,191	-3,368
	Earnings before interest and tax (EBIT) before special items	3,726	4,418
7	Special items	474	0
	Earnings before interest and tax (EBIT)	4,200	4,418
8	Finance income	1,234	2,128
8	Finance expenses	-2,246	-191
	Profit before tax	3,188	6,355
9	Income tax expenses	-1,122	-1,406
	Profit for the year	2,066	4,949
	Attributable to		
	Parent foundation	2,060	4,944
	Non-controlling interests (NCI)	6	5
	Total	2,066	4,949

POUL DUE JENSEN / GRUNDFOS FOUNDATION

Consolidated Financial Statements 1 January – 31 December

Consolidated statement of other comprehensive income

Note	Amounts in DKK Millions	2024	2023
	Profit for the year	2,066	4,949
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods:		
	Net gain/loss on cash flow hedges	-149	-47
	Exchange rate adjustments on foreign operations	-239	-237
9	Tax on foreign exchange adjustments and hedging instruments	5	33
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods, net of tax	-383	-251
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods		
18	Remeasurement gain/loss on defined benefit plans	60	-2
9	Tax on defined benefit plans	-16	-3
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax	44	-5
	Other comprehensive income for the year, net of tax	-339	-256
	Total comprehensive income for the year, net of tax	1,727	4,693
	Attributable to		
	Parent foundation	1,720	4,689
	Non-controlling interests (NCI)	7	4
	Total comprehensive income for the year, net of tax	1,727	4,693

POUL DUE JENSEN GRUNDFOS FOUNDATION

Consolidated Financial Statements 1 January – 31 December

Consolidated statement of financial position

Note	Amounts in DKK Millions	2024	2023
	ASSETS		
	Non-current assets		
10	Intangible assets		
	Goodwill	2,256	1,157
	Other intangible assets	1,900	1,416
	Completed development projects	111	60
	Development projects in progress	237	185
	Total intangible assets	4,504	2,818
	Property, plant and equipment		
11	Land and buildings	3,128	3,029
11	Technical installations and machinery	2,616	2,217
11	Other technical installations	314	338
11	Property, plant and equipment in progress	1,005	1,135
12	Right-of-use assets	590	393
	Total property, plant and equipment	7,653	7,112
	Financial assets		
13	Securities	73	64
9	Deferred tax assets	1,014	869
18	Pension assets	165	105
	Other accounts receivables	69	73
	Total financial assets	1,321	1,111
	Total non-current assets	13,478	11,041
	Current assets		
14	Inventories	5,916	5,663
15	Trade and other receivables	7,568	6,625
9	Income tax receivable	813	630
13	Securities	14,566	11,697
16	Cash and cash equivalents	4,000	5,957
	Total current assets	32,863	30,572
	TOTAL ASSETS	46,341	41,613

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Consolidated Financial Statements 1 January – 31 December

Consolidated statement of financial position

Note	Amounts in DKK Millions	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
17	Basic capital	505	505
	Hedge transaction reserve	-101	12
	Exchange adjustment reserve	-27	244
	Retained earnings	25,940	24,211
	Proposed provision for distribution	438	384
	Equity attributable to parent foundation	26,755	25,356
	Non-controlling interests	35	28
	Total equity	26,790	25,384
	Non-current liabilities		
18	Pensions and similar obligations	135	140
19	Provisions	1,202	755
9	Deferred tax liabilities	410	302
12, 20	Lease liabilities		
25		364	239
20, 25	Interest-bearing debt	58	8
22	Other liabilities	6,300	5,265
	Total non-current liabilities	8,469	6,709
	Current liabilities		
19	Provisions	295	280
21	Trade and other payables	2,939	2,656
20, 25	Interest-bearing debt	58	124
12, 20	Lease liabilities		
25		243	162
9	Income tax payable	1,166	1,093
22	Other liabilities	6,381	5,205
	Total current liabilities	11,082	9,520
	Total liabilities	19,551	16,229
	TOTAL LIABILITIES AND EQUITY	46,341	41,613

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Consolidated statement of cash flows

Note	Amounts in DKK Millions	2024	2023
	Operating activities		
	Profit after tax	2,066	4,949
6	Depreciation and amortisation of non-current assets	1,587	1,845
8	Finance income	-1,234	-2,128
8	Finance expenses	2,246	191
	Loss (-gains) on disposals of property, plant and equipment	-24	64
	Other adjustments	-489	204
9	Tax for the year	1,122	1,406
24	Changes in net working capital	-49	655
	Changes in warranty and other provisions	423	106
	Cash flow from operations before financial items and tax	5,648	7,292
	Taxes paid	-1,401	-1,509
8	Interest paid and realised currency losses	-51	-57
8	Interest received and realised currency gains	640	559
8, 12	Interest paid on lease liabilities	-25	-11
	Cash flow from operating activities	4,811	6,274
	Investing activities		
10	Purchase of intangible assets	-359	-278
	Proceeds from sale of property, plant and equipment	70	7
11	Purchase of property, plant and equipment	-1,331	-1,593
27	Acquisition of subsidiaries, net of cash acquired	-1,622	-629
	Acquisition of equity interest	0	-11
	Disposal of subsidiaries, net of cash disposed	0	0
13	Purchase of securities	-7,400	-5,762
	Sale of securities	5,115	5,073
	Cash flow from investing activities	-5,527	-3,193
	Net cash flow from operating and investing activities	-716	3,081
	Financing activities		
25	Payment of principal portion of lease liabilities	-235	-204
25	Proceeds from borrowings	0	40
25	Repayment of borrowings	-11	0
	Purchase of own shares	-79	-12
	Distributions paid	-243	-176
	Dividend to minorities, with associated buy-back obligation	-212	-120
	Acquisition and sale of minority holdings and exploitation of buy-back obligations, net	-416	-97
	Cash flow from financing activities	-1,196	-569
	Net increase/decrease in cash and cash equivalents	-1,912	2,512
	Cash and cash equivalents as at 1 January	5,957	3,586
	Exchange rate adjustments	-45	-141
	Available fund (Opening)	5,912	3,445
	Cash and cash equivalents as at 31 December	4,000	5,957

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Consolidated statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Hedge trans- action reserve	Exchange adjust- ment reserve	Retained earnings	Proposed provision for distribu- tion	Equity attribut- able to the parent founda- tion	Non- Control- ling Interest	Equity
	Balance at 1 January 2024	505	12	244	24,211	384	25,356	28	25,384
	Profit for the year	0	0	0	1,711	349	2,060	6	2,066
18	Actuarial gain/loss	0	0	0	60	0	60	0	60
	Fair value adjustment of hedging instruments	0	-149	0	0	0	-149	0	-149
	Exchange rate adjustments, affiliated companies, etc.	0	0	-240	0	0	-240	1	-239
	Tax on other comprehensive income	0	36	-31	-16	0	-11	0	-11
	Total other comprehensive income	0	-113	-271	44	0	-340	1	-339
	Extraordinary provision for distributions	0	0	0	0	0	0	0	0
	Distributions paid	0	0	0	0	-295	-295	0	-295
	Exercise of options (LTI)	0	0	0	-80	0	-80	0	-80
26	Share-based compensation expenses (LTI)	0	0	0	54	0	54	0	54
	Total other transactions	0	0	0	-26	-295	-321	0	-321
	Balance at 31 December 2024	505	-101	-27	25,940	438	26,755	35	26,790

Consolidated Financial Statements 1 January – 31 December

Consolidated Statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Hedge transaction reserve	Exchange adjustment reserve	Retained earnings	Proposed provision for distribution	Equity attributable to the parent foundation	Non-Controlling Interest	Equity
	Balance at 1 January 2023	505	47	459	19,504	364	20,879	24	20,903
	Profit for the year	0	0	0	4,669	275	4,944	5	4,949
18	Actuarial gain/loss	0	0	0	-2	0	-2	0	-2
	Fair value adjustment of hedging instruments	0	-47	0	0	0	-47	0	-47
	Exchange rate adjustments, affiliated companies, etc.	0	0	-236	0	0	-236	-1	-237
	Tax on other comprehensive income	0	12	21	-3	0	30	0	30
	Total other comprehensive income	0	-35	-215	-5	0	-255	-1	-256
	Dividend paid	0	0	0	0	-255	-255	0	-255
	Exercise of options (LTI)	0	0	0	-12	0	-12	0	-12
26	Share-based compensation expenses (LTI)	0	0	0	55	0	55	0	55
	Total other transactions	0	0	0	43	-255	-212	0	-212
	Balance at 31 December 2023	505	12	244	24,211	384	25,356	28	25,384

Hedge transaction reserve

The Group has in OCI presented the gains and losses arising from the hedge transaction reserve, including those related to foreign currency forward contracts that are hedges of forecast revenue and inventory purchases, that may be reclassified to profit or loss in subsequent periods. In subsequent periods, the amount previously recorded in the cash flow hedge reserve will be recognised in profit or loss when the asset (liability) is being recovered (settled) or if the conditions for cash flow hedging are no longer fulfilled.

Exchange adjustment reserve

The Group recognised translation differences on foreign operations in a separate component of equity i.e. the exchange adjustment reserve.

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1 Revenue

Revenue break down according to the following divisions and regions:

Amounts in DKK Millions	2024	2023
Commercial Buildings Services	7,015	6,965
Domestic Buildings Services	7,889	8,937
Industry	7,909	8,036
Water Utility	5,039	5,150
Other	5,374	5,319
Total	33,226	34,407

Geographical markets		
Europe	17,484	18,592
North and South America	7,601	7,260
Asia	6,371	6,878
The Middle East/Africa	1,770	1,677
Total	33,226	34,407

Revenue includes sale of goods of DKK 32,548m (2023: DKK 33,715m) and service sales of DKK 678m (2023: DKK 692m).

Amounts in DKK Millions	2024	2023
2 Research and development cost		
Staff cost	1,356	1,166
Depreciation and amortisation	116	139
Other research and development cost	367	516
Total	1,839	1,821

3 Selling and distribution cost		
Staff costs	2,912	2,689
Distribution cost	631	665
Depreciation and amortisation	110	502
Other selling and distribution related cost	1,474	2,026
Total	5,127	5,882

4 Administration cost		
Staff cost	1,604	1,644
Depreciation and amortisation	244	230
Other administration	1,343	1,494
Total	3,191	3,368

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5 Staff cost

Amounts in DKK Millions	2024	2023
Wages and salaries	8,648	8,000
Share-based payments	54	55
Pensions, defined benefit plans	20	72
Pensions, defined contribution plans	488	347
Other social security cost	834	667
Total	10,044	9,141

Staff cost includes our Long-Term incentive Programme (LTI) which is described in note 26 Share-based compensation expenses.

Staff costs are recognised as follows:

Production cost	4,172	3,642
Research and development cost	1,356	1,166
Selling and distribution cost	2,912	2,689
Administration cost	1,604	1,644
Total	10,044	9,141
Average number of full-time employees	19,863	19,924
Numbers of employees at year-end	20,826	19,946

Staff cost includes fees to the Executive Board and the Board of Directors of the Foundation for the directorships in the Group and can be specified as follows:

Executive Board	3	3
Board of Directors	12	11
Total	15	14

6 Depreciation, amortisation and impairments

Amounts in DKK Millions	2024	2023
Intangible non-current assets, note 10	341	707
Tangible non-current assets, note 11	1,001	917
Right-of-use assets, note 12	244	221
Total	1,586	1,845

Depreciation, amortisation and impairments are recognised as follows:

Production costs	1,116	974
Research and development costs	116	139
Selling and distribution costs	110	502
Administration costs	244	230
Total	1,586	1,845

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7 Special items

In August 2022, Grundfos announced the exit from Russia. The exit decision led to a one-off expense recognition of DKK 851m reported as special items in the consolidated profit and loss accounts. The one-off expense was based on management's best estimate and is comprised of impairment of assets and other cost such as severance and other legal commitments.

In December 2022, Grundfos signed an agreement with Grundfos Russia local management members to sell the two Grundfos legal entities in Russia. The divestment of the Russian business to the local management was finalised after approvals from the Russian authorities were obtained in 2024 (OOO Grundfos Istra in March and OOO Grundfos in June).

As a consequence of the sale, we have performed a reassessment of our obligations and adjusted our provision accordingly. In addition, the exchange adjustment reserve that accumulated from the translation of the RUB-based entities into DKK for Group reporting purposes within other comprehensive income has been recycled into profit and loss.

Amounts in DKK Millions	2024	2023
Other cost related to the divestment	-121	0
Recycling of exchange adjustment reserve	-353	0
Total	- 474	0

8 Financial income and expenses

Amounts in DKK Millions	2024	2023
Interest income bonds	281	254
Value adjustments bonds	105	169
Dividend income shares	78	89
Value adjustments shares	535	329
Fair value adjustment of buy-back obligation	0	1,071
Other financial income	235	216
Total	1,234	2,128
Fair value adjustment of buy-back obligation	1,926	0
Dividend to minorities, with associated buy-back obligation	212	120
Interest on lease liabilities	25	11
Loss electricity swap	29	0
Other finance expense	54	60
Total	2,246	191

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Notes to the consolidated financial statements

9 Tax

Amounts in DKK Millions	2024	2022
Income taxes in statement of profit or loss and reconciliation		
Tax on the profit for the year is specified as follows:		
Tax on profit/loss for the year	1,122	1,406
Tax on other comprehensive income, deferred	20	9
Tax on other comprehensive income, current	-31	20
Total	1,111	1,435
Tax on the profit for the year is calculated as follows:		
Current income taxes	1,276	1,302
Deferred income taxes	-170	96
Change in deferred tax due to changes in tax rates	0	0
Deferred income taxes regarding previous years	23	-38
Adjustment regarding previous years	-12	46
Top-up corporate income tax	5	0
Total	1,122	1,406
Effective tax rate is calculated as follows:		
Danish tax rate	22%	22%
Deviation in tax in foreign companies in relation to Danish tax rate	1%	1 %
Non-taxable income and non-deductible expenses	-3%	1 %
Non-deductible expenses regarding minority interests and buy-back obligations	14%	-3 %
Non-deductible withholding taxes	1%	0 %
Other, including adjustments regarding previous years and top-up corporate income tax	0%	1 %
Effective tax rate	35%	22%
Consolidated other comprehensive income:		
Deferred tax related to items recognised in OCI during in the year:		
Net gain/loss on cash flow hedges	36	12
Remeasurement gain/loss on actuarial gains and losses	-16	-3
Deferred tax charged to OCI	20	9
Consolidated income tax:		
Income tax receivable	813	630
Income tax payable	-1,166	-1,093
Total income tax	-353	-463

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Notes to the consolidated financial statements

9 Tax (continued)

Amounts in DKK Millions	2024	2023
Deferred taxes		
Changes in deferred tax		
Net deferred tax assets 1 January	567	713
Acquisition of companies	-121	-88
Exchange rate adjustment	-10	-9
Change in tax rate	0	0
Deferred tax recognised in profit or loss account	148	-58
Deferred tax recognised in equity	20	9
Net deferred tax assets 31 December	604	567

Breakdown of deferred tax		
Non-current assets	-458	-220
Current assets	668	423
Provisions	335	210
Liabilities	59	79
Tax loss carry forward	0	75
Net deferred tax assets	604	567

Reflected in the statement of financial position as follows:

Deferred tax assets	1,014	869
Deferred tax liabilities	-410	-302
Net deferred tax assets	604	567

The Foundation has tax losses by end of 2024 of 0m (2023: 75m) that are available indefinitely for offsetting against future taxable profits in the Foundation.

Deferred tax assets have been recognised as they are expected to be used to offset taxable profits in the future.

The Foundation has an unrecognised deferred tax liability of DKK 0m as at 31 December 2024 (2023: DKK 9m) in respect of tax provisions for subsequent distributions. The amount has not been recognised in accordance with accounting policies as it is not considered likely to be subject to taxation due to the Foundations intention to continue distributing resources in accordance with the Foundations objectives.

The Grundfos Holding Group has tax losses of DKK 99m (2023: DKK 98m) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Grundfos Group. They have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

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Notes to the consolidated financial statements

9 Tax (continued)

Cumulative deferred income taxes recorded in equity amounted to DKK 174m (2023: DKK 154m). The Group does not recognise any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e. the Group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

10 Intangible assets

Amounts in DKK Millions	2024				Total
	Goodwill	Other intangible assets	Completed development projects	Development projects in progress	
Cost at 1 January 2024	1,546	2,305	192	185	4,228
Acquisition of companies	1,062	461	0	0	1,523
Additions	0	227	20	112	359
Disposals	0	-320	-9	0	-329
Transfers	0	61	60	-60	61
Exchange rate adjustments	63	63	0	0	126
Cost at 31 December 2024	2,671	2,797	263	237	5,968
Amortisation and impairment at 1 January 2024	389	889	132	0	1,410
Amortisation	0	312	29	0	341
Amortisations and impairment on disposals	0	-319	-9	0	-328
Exchange rate adjustments	26	15	0	0	41
Amortisation and impairment at 31 December 2024	415	897	152	0	1,464
Carrying amount at 31 December 2024	2,256	1,900	111	237	4,504

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Amounts in DKK Millions	2023				
	Goodwill	Other intangible assets	Completed development projects	Development projects in progress	Total
Cost at 1 January 2023	1,307	2,074	224	73	3,678
Acquisition of companies	271	426	0	0	697
Additions	0	155	10	113	278
Disposals	0	-361	-43	0	-404
Transfers	0	35	1	-1	35
Exchange rate adjustments	-32	-24	0	0	-56
Cost at 31 December 2023	1,546	2,305	192	185	4,228
Amortisation and impairment at 1 January 2023	0	967	102	0	1,069
Amortisation	0	279	30	0	309
Impairment	398	0	0	0	398
Amortisations and impairment on disposals	0	-350	0	0	-350
Exchange rate adjustments	-9	-7	0	0	-16
Amortisation and impairment at 31 December 2023	389	889	132	0	1,410
Carrying amount at 31 December 2023	1,157	1,416	60	185	2,818

Amortisation of intangible assets is included in the Consolidated Statement of Income and Loss as follows:

Amounts in DKK Millions	2024		2023	
	Other intangible assets	Completed development projects	Other intangible assets	Completed development projects
Research and development expenses	108	29	101	30
Selling and distribution expenses	107	0	90	0
Administration expenses	97	0	88	0
Total	312	29	279	30

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Carrying amount of goodwill

Amounts in DKK Millions	2024	2023
Industry - Water treatment Solutions	1,801	717
Industry – Pump Solutions	93	88
Water Utility	239	229
Others	123	123
Total	2,256	1,157

Impairment test

End of 2024, the reported goodwill amounts to DKK 2,256m. Goodwill primarily arose from the acquisitions of Silhorko-Eurowater in 2020, Mechanical Equipment Company Inc. (MECO) in 2021, Metasphere in 2023 and the Commercial & Industrial business of Culligan in 2024.

Goodwill represents the premium paid by Grundfos above the fair value of the net assets acquired. It is attributable to synergies and know-how resulting from the combination of the businesses and the value of the employee base.

Goodwill is allocated to cash-generating units which are determined to be the most appropriate business segment levels it pertains to. For the reporting period, following cash generating units were identified: (i) Industry - Water Treatment Solutions, (ii) Industry - Pump Solutions and (iii) Water Utility division. The allocation of goodwill to the cash generating units is specified in above table.

As at the reporting date, an impairment test was performed on the carrying amount of intangible assets with indefinite useful lives which for the reporting period only represents goodwill.

Water Treatment Solutions

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans.

The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a 5-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash generating units.

The discount rate applied to cash flow projections is 8.9% and terminal value cash flows are extrapolated using a 2.0% growth rate which represents the estimated long-term average growth rate for the industry.

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Notes to the consolidated financial statements

10 Intangible assets (continued)

Key assumptions and sensitivity Analysis

The recoverable amount of the Water Treatment Solutions business is determined to be in close range to the carrying amount and the impairment test results are sensitive to assumptions made for the (i) EBITDA growth rate (ii) the terminal value growth rate and (iii) the discount rate. Each of these parameters have been assessed and estimated using the most recently available market data and management's experience and best judgement on the business outlook.

The EBITDA growth rate is built on assumptions on volume growth and profitability expectations that leverage synergies.

A change in EBITDA margin by +/- 1 percentage point will change the value of the cash generating unit by +/- 9.3% (DKK 329m in either direction). The terminal value growth rate is in line with long term industry average growth projections at 2.0%. A change in the growth rate by +/- 0.5 percentage points will increase or decrease the value of the cash generating unit by 3.2% (DKK 108m) and 2.7% (DKK 94m) respectively.

The discount rate applied to cash flow projections is 8.9%. This rate was determined based on available market data and an assessment of the risk profile of the individual entities.

Specifically, a risk-free interest rate based on the current yield of a 10-year government bond in the relevant geography plus an estimated market-risk premium are used to estimate the required rate of return on equity. Estimated risk premiums are then added, depending on industry, business model and geography. The required rate of return on debt is based on an estimated credit assessment of the entities and current interest rate levels. The required rates of return on equity and debt are weighted using a capital structure based on a group of company peers.

An increase in the weighted average cost of capital (WACC) by 0.5 percentage points will decrease the equity value of the cash generating unit by 7.5% (DKK 265m) and a decrease in the WACC by 0.5 percentage points will increase the equity value of the cash generating unit by 8.7% (DKK 307m).

Water Utility division

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans. The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a 5-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash generating units.

The discount rate applied to cash flow projections is 8.5% and terminal value cash flows are extrapolated using a 2.0% growth rate which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Water Utility is significantly higher than the carrying amount.

The Group did not identify any reasonably possible change in key assumptions which could cause an impairment loss to be recognised for Water Utility.

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Notes to the consolidated financial statements

11 Property, plant and equipment

Amounts in DKK Millions	2024				Total
	Land and buildings	Technical installation and machinery	Other technical installations	Property, plant and equipment in progress	
Cost at 1 January 2024	7,334	14,370	1,916	1,135	24,755
Acquisition of companies	35	7	6	1	49
Additions	59	404	75	793	1,331
Disposals	-40	-527	-434	-5	-1,006
Transfers	110	684	39	-894	-61
Exchange rate adjustments	-148	-138	-20	-25	-331
Cost at 31 December 2024	7,350	14,800	1,582	1,005	24,737
Depreciations and impairment at 1 January 2024	4,305	12,153	1,578	0	18,036
Depreciation	227	633	141	0	1,001
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	-31	-475	-431	0	-937
Transfers	0	0	0	0	0
Exchange rate adjustments	-279	-127	-20	0	-426
Depreciations and impairment at 31 December 2024	4,222	12,184	1,268	0	17,674
Carrying amount 31 December 2024	3,128	2,616	314	1,005	7,063

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Notes to the consolidated financial statements

11 Property, plant and equipment (continued)

Amounts in DKK Millions	2023				Total
	Land and buildings	Technical installation and machinery	Other technical installations	Property, plant and equipment in progress	
Cost at 1 January 2023	6,974	13,864	1,859	1,004	23,701
Acquisition of companies	0	3	0	0	3
Additions	97	295	76	1,125	1,593
Disposals	-37	-348	-63	7	-441
Transfers	334	577	57	-1,003	-35
Exchange rate adjustments	-34	-21	-13	2	-66
Cost at 31 December 2023	7,334	14,370	1,916	1,135	24,755
Depreciations and impairment at 1 January 2023	4,138	11,939	1,518	0	17,595
Depreciation	224	562	131	0	917
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	-32	-330	-62	0	-424
Transfer	0	0	0	0	0
Exchange rate adjustments	-25	-18	-9	0	-52
Depreciations and impairment at 31 December 2023	4,305	12,153	1,578	0	18,036
Carrying amount 31 December 2023	3,029	2,217	338	1,135	6,719

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12 Right-of-use assets

The Group has lease contracts, primarily buildings and vehicles used in its operations. Leases of motor vehicles generally have lease terms between 4 and 5 years and buildings have lease terms between 1 and 10 years.

The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use (ROU) assets recognised and the movements during the period:

	2024			
Amounts in DKK Millions	Land and buildings	Motor vehicles	Other equipment	Total
Carrying amount at 1 January 2024	190	167	36	393
Additions	215	197	33	445
Disposal of ROU assets	0	-6	-2	-8
Depreciations	-103	-118	-23	-244
Exchange rate adjustments	2	-1	3	4
Carrying amount at 31 December 2024	304	239	47	590

	2023			
Amounts in DKK Millions	Land and buildings	Motor vehicles	Other equipment	Total
Carrying amount at 1 January 2023	266	107	38	411
Additions	42	155	24	221
Disposal of ROU assets	-8	-3	-2	-13
Depreciations	-111	-88	-22	-221
Exchange rate adjustments	1	-4	-2	-5
Carrying amount at 31 December 2023	190	167	36	393

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12 Right-of-use assets (continued)

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Amounts in DKK Millions	2024	2023
Balance at 1 January	401	401
Additions	444	221
Interest	25	11
Disposals	-8	-13
Payments	-255	-219
Balance at 31 December	607	401
Current	243	162
Non-current	364	239
Total	607	401
Undiscounted lease liabilities maturity analysis:		
Less than one year	253	167
One to three years	304	200
More than three years	74	46
Total undiscounted lease liabilities at 31 December	631	413
The following are the amounts recognised in profit and loss:		
Depreciation expense of right-of-use assets	244	221
Interest expense on lease liabilities	25	11
Expense relating to short-term leases	74	93
Variable lease payments	29	33
Total	372	358

The Group had total cash outflows for leases of DKK 258m in 2024 (DKK 215m in 2023).

The Group has several lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

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13 Securities

Amounts in DKK Millions	2024	2023
Costs at 1 January	11,580	10,796
Additions during the year	7,400	5,762
Disposals during the year	-5,070	-4,978
Cost at 31 December	13,910	11,580
Value adjustments at 1 January	181	-220
Value adjustments during the year	548	401
Value adjustments at 31 December	729	181
Balance at 31 December	14,639	11,761
Current	14,566	11,697
Non-current	73	64
Total	14,639	11,761

The portfolio consists solely of listed shares and bonds and is distributed as follows:

Shares	6,844	4,146
Bonds	7,795	7,615
Total	14,639	11,761

Information about the Group's financial assets and associated risks is disclosed in note 29.

14 Inventory

Amounts in DKK Millions	2024	2023
Raw materials and consumables	2,316	2,120
Work in progress	1,873	1,813
Manufactured goods and goods for resale	1,727	1,730
Total inventories	5,916	5,663

During 2024, DKK 32m (2023: DKK 60m) was recognized as an expense of for inventories carried at net realisable value. This is recognised in cost of sales.

Amounts in DKK Millions	2024	2023
Provision for obsolete inventories at 1 January	605	542
Reversal of provision through profit and loss	-48	-51
Additional provision	72	114
Provision for obsolete inventories at 31 December	629	605

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15 Trade and other receivables

Amounts in DKK Millions	2024	2023
Trade receivables	6,187	5,545
Prepayments	305	270
Other current receivables	1,188	940
Total trade and other receivables	7,680	6,755
Allowance for expected credit loss	-112	-130
Trade and other receivables, net	7,568	6,625

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

Amounts in DKK Millions	2024	2023
Balance at 1 January	130	138
Provisions during the year	31	29
Realised losses	-8	-20
Reversal of provision through profit and loss	-40	-16
Exchange rate adjustments	-1	-1
Balance at 31 December	112	130

Trade receivables' age profile		
Not overdue at the reporting date	5,694	4,953
Overdue less than 30 days	295	356
Overdue 30 to 60 days	81	87
Overdue 60 to 120 days	35	72
Overdue more than 120 days	82	77
Trade receivables before provision	6,187	5,545
Provision for bad debt at 31 December	-112	-130
Balance at 31 December	6,075	5,415

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. The Group's trade debtors comprise a large number of customers, and the Group's risk in that connection is not considered unusually high.

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15 Trade and other receivables (continued)

Outstanding customer receivables are regularly monitored. At 31 December 2024, the Group had 42 customers (2023: 50) that owed it more than DKK 10m each and accounted for approximately 24% (2023: 25%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29.

The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written-off when there is no reasonable expectation of recovering the contractual cash flows.

16 Cash and cash equivalents

Amounts in DKK Millions	2024	2023
Cash at bank and on hand	4,000	5,957
Total	4,000	5,957

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

17 Basic capital

The basic capital amounts to DKK 505m.

The basic capital shall always remain untouched while the retained earnings is for the free disposal of the Foundation in accordance with the Foundation's objective.

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18 Pension and similar obligations

Defined contribution plans

The Group has made pension agreements with a considerable number of its employees. The majority of the agreements are for defined contribution plans. Contributions are paid to pension insurance plans and charged to the consolidated income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Defined benefit plans

The Group has a number of defined benefit plans where the responsibility for the pension obligation towards the employees rests with the Group.

The largest plans are in Switzerland and the UK accounting for 69% (2023: 70%) of the Group's obligation (gross) and 76% (2023: 77%) of its plan assets.

The plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The Group assumes the risk associated with future developments in salary, interest rates, inflation, mortality and disability etc.

The majority of the obligations are funded with assets placed in independent pension funds. In a number of countries, some minor obligations are unfunded.

For these unfunded plans, the retirement benefit obligations amounted to DKK 119 million or 6% of the present value of the gross obligation (2023: DKK 106 million or 6%).

Switzerland

Participants are insured against the financial consequences of retirement, disability and death. The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement. Contributions are paid by both the employee and the employer. The plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, reduction of benefits or a combination of both.

The pension plans include a risk-sharing element between Grundfos and the plan participants.

The UK

Participants are insured against the financial consequences of retirement and death. The schemes do not provide any insured disability benefits. The pension plans are plans guaranteeing defined benefit pension at retirement on a final salary basis. The majority of the pension plans do not include a risk-sharing element between Grundfos and the plan participants.

Actuarial assumptions

Actuarial calculations and valuations are performed annually for all major plans. The actuarial assumptions vary from country to country due to local conditions.

Discount rates at 31 December are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the obligations.

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18 Pension and similar obligations (continued)

Sensitivity analysis for Switzerland and the UK

The table below illustrates the sensitivity related to significant actuarial assumptions used in the calculation of the defined benefit obligation recognised at the reporting date. The sensitivity covers the plans in the UK and Switzerland. The analysis is based on changes in assumptions that the Group considered to be reasonably possible at the reporting date. It is estimated that the relevant changes in assumptions would have increased/(decreased) the defined benefit obligation by the amounts shown below:

	2024		2023	
	0.5%	-0.5%	0.5%	-0.5%
Discount rate	-87	95	-83	93
Salary increase	8	-8	7	-7
Pension increase	42	-38	39	-36

	2024		2023	
	CH	UK	CH	UK
Discount rate (%)	1.00	5.25	1.75	5.00
Salary increase (%)	2.00	4.80	2.00	4.80
Pension increase (%)	0.00	3.10	0.00	3.10

The fair values of each major class of plan assets are as follows:

Amounts in DKK Millions	2024	2023
Investments quoted in active markets		
Listed equity investments	681	636
Real estates	154	157
Corporate bonds	801	736
Cash and cash equivalents	29	17
Unquoted investments		
Insurance contracts	141	127
Corporate bonds	14	13
Other	188	169
Total	2,008	1,855

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18 Pension and similar obligations (continued)

	2024			2023		
Amounts in DKK Millions	Present value of obligation	Fair value of plan assets	Obligation, net	Present value of obligation	Fair value of plan assets	Obligation, net
Carrying amount at 1 January	1,872	1,837	35	1,879	1,855	24
Current service cost	22	0	22	20	0	20
Past service cost	0	0	0	54	0	54
Interest on obligation/plan asset	73	74	-1	66	68	-2
Recognised in profit and loss	95	74	21	140	68	72
Actuarial gain/loss, demographic assumptions	-2	0	-2	-10	0	-10
Actuarial gain/loss, financial assumptions	41	0	41	-85	0	-85
Actuarial gain/loss, experience adjustments	-12	0	-12	13	0	13
Return on plan assets excl. interest income	0	79	-79	0	-87	87
Impact from asset ceiling	0	8	-8	0	7	-7
Recognised in other comprehensive income	27	87	-60	-82	-80	-2
Foreign exchange adjustments	38	47	-9	37	46	-9
Acquisition and divestments, net	16	0	16	0	0	0
Employee contributions	10	10	0	10	10	0
Employer contributions	-4	33	-37	-6	50	-56
Benefits paid	-84	-88	4	-106	-112	6
Other changes	-24	2	-26	-65	-6	-59
Carrying amount at 31 December	1,970	2,000	-30	1,872	1,837	35
Accumulated impact from asset ceiling	0	8	-8	0	16	-16
Pensions and similar obligations at 31 December	1,970	2,008	-38	1,872	1,853	19
Carrying amount is reflected in the statement of financial position as follows:						
Net pension obligations			135			140
Net pension assets			-165			-105
Net pension obligations			-30			35

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18 Pension and similar obligations (continued)

In 2024 the net pension position for the company has changed from a net obligation of DKK 35m to a net asset of DKK 30m.

The main driver for this has been return on plan assets and to a lesser extent contributions from the company.

The estimated weighted average duration of the defined benefit obligation was 13.1 years (2023: 13.0 years) and is split into:

Members of defined benefit schemes	2024	2023
Active employees	2,170	2,160
Retired employees	572	598
Deferred vested	708	683
Total employees	3,450	3,441

The expected payments or contributions to the defined benefit plans within the next 12 months amount to DKK 25m (2023: DKK 24m).

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19 Provisions

	Warranty	Restruc- turing	Jubilee	Others	Total
Balance at 1 January 2024	219	207	193	416	1,035
Provision	178	508	0	87	773
Utilised	-188	0	-9	-7	-204
Reversed	-3	-121	-3	-16	-143
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	6	21	0	8	35
Balance at 31 December 2024	213	615	181	488	1,497
Current	136	159	0	0	295
Non-current	77	456	181	488	1,202
Balance at 1 January 2023	185	144	189	376	894
Provision	151	164	4	97	416
Utilised	-115	-73	0	-2	-190
Reversed	-1	-1	0	-51	-53
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	-2	-27	0	-4	-33
Balance at 31 December 2023	219	207	193	416	1,035
Current	140	140	0	0	280
Non-current	79	67	193	416	755

Warranty

The provision is recognised for potential warranty claims on the basis of past experience and expected measures. The ordinary warranty on product sold covers a period of 24 months.

Restructuring

The provision covers the expected cost related to the announcement of the planned relocation of our Wahlstedt manufacturing activities. Payment will take place over two-three years. The reversed amount is a consequence of the exit of Russia mentioned in Note 7 'Special items'.

Jubilee

In the majority of companies there is an obligation to remunerate employees celebrating certain anniversaries (such as 25, 40 and 50 years). The payments vary among countries and companies.

Others

Other provisions include legal disputes to which the Group is a party.

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20 Bank and other loans

Amounts in DKK Millions	Interest rate	Maturity	2024	2023
Bank loans	6.8%	2025	50	15
Other loans	3-5%	2025	27	29
Lease liabilities	0-3%	2025-2031	607	401
Bank overdrafts and loans			39	88
Total			723	533
Current			301	286
Non-current			422	247
Total			723	533

Bank overdrafts

The bank overdrafts are secured by a portion of the Group's short-term deposits.

21 Trade and other payables

Amounts in DKK Millions	2024	2023
Trade payables	2,939	2,656
Total	2,939	2,656

Trade payables are non-interest bearing.

22 Other liabilities

Amounts in DKK Millions	2024	2023
Buy-back obligation relating to shares	7,926	6,416
Customer bonus	1,035	901
Staff related	1,395	1,526
Deferred income	539	487
VAT and other taxes	503	366
Accrued expenses	816	502
Accrued distributions	309	257
Other	158	15
Total	12,681	10,470
Current	6,381	5,205
Non-current	6,300	5,265
Total	12,681	10,470

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22 Other liabilities (continued)

Buy-back obligation relating to shares

The Foundation has a buy-back obligation to minority interests related to shares in Grundfos Holding A/S. Under the shareholders' agreement in Grundfos Holding A/S, minority interests in Grundfos Holding A/S must be able to sell their shareholdings back to the Foundation in whole or in part at a price that corresponds to the market value of the shares.

Amounts in DKK Millions	2024	2023
1 January	6,416	7,584
Additions of the year	204	149
Disposals of the year	-620	-246
Fair value adjustment	1,926	-1,071
31 December	7,926	6,416

DKK 5,127m is falling due after more than five years. (2023: DKK 4,267m).

Customer bonus

Customer bonus is recognised at an estimated value according to underlying agreements. When finally settled, the bonus will be set off against future payments from the customer.

Deferred income

Deferred income refers to prepayments from customers for goods and services where the Group has not yet fulfilled its contractual obligations.

Amounts in DKK Millions	2024	2023
23 Fees to auditors appointed		
Fee to EY for statutory audit	16	15
Fee to EY for other assurance engagements	4	2
Fee to EY for tax advisory services	7	4
Fee to EY for other services	7	8
Total	34	29
24 Changes in working capital		
Changes in inventories	-253	857
Changes in accounts receivable	-994	426
Change in trade creditors, other liabilities and deferred income	927	-442
Unrealised exchange rate adjustments	271	-186
Total	-49	655

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25 Changes in liabilities arising from financing activities

Amounts in DKK Millions	Current interest-bearing loans and borrowings	Current lease liabilities	Non-current interest-bearing loans and borrowings	Non-current lease liabilities	Total
Balance at 1 January 2024	124	162	8	239	533
Cash flows	-66	-105	55	-152	-268
New leases	0	178	0	267	445
Other	0	10	0	15	25
Exchange rate adjustments	0	-2	-5	-5	-12
Balance at 31 December 2024	58	243	58	364	723
Balance at 1 January 2023	100	164	3	237	504
Cash flows	31	-50	9	-154	-164
New leases	0	53	0	168	221
Other	0	-5	0	-12	-17
Exchange rate adjustments	-7	0	-4	0	-11
Balance at 31 December 2023	124	162	8	239	533

'Other' includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities, to current due to the passage of time, the accrual of special dividends that were not yet paid at year end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The Group classifies interest paid as cash flows from operating activities.

26 Share-based compensation expenses

Long-Term Incentive Programme (LTI)

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives.

These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined for the programme for a specific year.

Following the vesting of RSUs under both these programmes, the executives will receive shares of Grundfos Holding A/S.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.

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26 Share-based compensation expenses (continued)

	No. of units	Weighted average grant date fair value (DKK per unit)
Outstanding as at 1 January 2023	117,045	1,470
Granted during the year	66,691	1,351
Vested during the year	-8,751	1,249
Forfeited during the year	-13,942	1,458
Outstanding as at 31 December 2023	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	-47,381	1,372
Forfeited during the year	-12,724	1,506
Outstanding as at 31 December 2024	176,968	1,565

The outstanding units are expected to vest over a weighted average period of 1.7 years (2023: 1.6 years).

Expense recognised during the year

Amounts in DKK Millions	2024	2023
Expense arising from equity-settled share-based payment transactions (LTI)	54	55
Total	54	55

There were no cancellations or modifications to the grants.

Inputs and model used

	2024	2023
Benchmark PE multiple	19,8	18,6
Annual growth in average profit after tax applied for share price calculation	18%	14%

The share price is calculated once per year and is valid for a 12-month period. The methodology for calculating the share price is prescribed in the articles of association and is based on a multiples approach. Thus, the key parameters are multiples on price earnings from a peer group of companies and the profit after tax for the Grundfos Group.

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27 Business combinations

On 1 September 2024, Grundfos acquired Culligan's Commercial & Industrial business in Italy, France and the UK, which forms part of the Water Treatment Solutions business. From a legal perspective, Grundfos has acquired 5 limited liability companies. The total consideration amounted to DKK 1,622m.

The result of the acquired activities has been included in the consolidated financial statements as of 1 September 2024. The acquired business does not have a material impact on the consolidated financial statements, and therefore historical and pro forma disclosures have not been presented. Had the acquisition taken place at 1 January 2024, revenue would have been higher by DKK 532m and profit would have been higher by DKK 34m.

The fair values of the identifiable assets and liabilities of Culligan's Commercial & Industrial business as at the date of acquisition were:

Amounts in DKK Millions	Fair value recognised in acquisition
Recognized amounts of identifiable assets acquired, and liabilities assumed	
Technology	202
Customer relations and distributors	258
Other intangible assets	1
Total intangible assets	461
Property, plant and equipment	49
Total non-current assets	510
Inventories	122
Trade receivables	256
Other receivables	33
Cash at bank	67
Total current assets	478
Total assets	988

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27 Business combination (continued)

Amounts in DKK Millions	Fair value recognised in acquisition
Long term liabilities	-9
Provisions	-15
Deferred tax	-113
Total non-current liabilities	-137
Short term liabilities	-69
Trade creditors	-159
Deferred income	-23
Other payables	-51
Total current liabilities	-302
Total liabilities assumed	-439
Total identifiable net assets	549
Goodwill	1,062
Cash net	11
Total cash acquisition cost	1,622
Recognised amounts of identifiable assets acquired, and liabilities assumed:	
Purchase consideration	1,622
Contingent purchase consideration	0
Fair value of consideration	1,622

The fair value of the trade receivables amounts to DKK 256m. The gross amount of trade receivables is DKK 278m.

The deferred tax liability mainly comprises the tax effect of the identified intangible assets.

As part of the purchase price allocation of the acquisition, goodwill of DKK 1,062m was identified after recognition of the fair value of identifiable assets, liabilities and contingent liabilities. Fair value adjustments were determined using discounted cash flows for identified assets. The intangible assets reflect the recognition of Technological know-how (DKK 202m) and Customer relations and distributors (DKK 258m). Deferred tax of DKK 125m is in relation to these intangible asset adjustments. The acquisition of the Culligan activities involved acquisition cost of DKK 31m, which is recognised as administrative expense.

The goodwill of DKK 1,062m comprises the value of expected commercial and scaling synergies arising from the integration of the Culligan business, into the Industry-Water Treatment Solutions.

The goodwill does not meet the criteria for recognition as an intangible asset under IAS 38. The amount of the goodwill is not expected to be deductible for income tax purposes.

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28 Commitments and contingencies

Commitments

Amounts in DKK Millions	2024	2023
Performance and payment guarantees	147	161
Purchase agreements of property, plant and equipment	143	129
Total	290	290

Lease contracts etc. are renewed on a continuous basis hence, there is a minor number of contracts committed not yet recorded as at 31 December 2024. The value of these contracts is considered to be immaterial.

Apart from this the Group is under no material obligations to acquire assets.

Contingencies

The Group is party to a number of disputes, lawsuits and legal actions including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the Group's financial position beyond what has been recognised and stated in the Annual Report.

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29 Financial risk management and financial assets

The Group's activities expose it to a variety of financial risks:

Market risks: Currency risk and raw materials

Credit risk

Liquidity risk

The main purpose of the Group's financial risk management is to finance the Group's operations and to provide guarantees to support its operations. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group's financial risk activities are governed by the policies approved by the Board of Directors. Risk management is carried out by the Central Treasury department who are responsible for identifying, measuring and managing the Group's financial risks in accordance with the Group's policies and risk objectives.

It is the Group's policy that no trading in derivatives should be undertaken for speculative purposes.

Financial risks

Market Risk

Financial risks	Description	Effect	Reference
Currency risk	The Group is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Moderate Threat: Moderate	Note 1 Revenue
Interest rate risk	The Group is exposed to fluctuations in interest rates related to cash position, financial investments and financing arrangements	Effect: Low Threat Moderate	Note 13 Securities
Credit risk	The Group is exposed to the risk that a counterparty (mainly related to trade receivables and cash position) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Low	Note 15 Trade and other receivables Note 20 Bank and other loans
Raw materials risk	The Group is exposed to raw material price inflation mainly related to copper and aluminium.	Effect: High Threat: Moderate	Note 14 Inventory

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk and other price risk, such as interest-rate risk and raw material risk. Financial instruments affected by market risk include transactions with entities in foreign currencies.

The sensitivity analysis in the following sections relates to the position as at 31 December in 2024 and 2023.

The sensitivity analysis has been prepared on the basis that the proportions of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place at 31 December 2024. Further, it is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The following assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held at 31 December 2024 and 2023 including the effect of hedge accounting.

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29 Financial risk management and financial assets (continued)

The sensitivity analysis shows the effect on profit and equity of a reasonably possible change in exchange rates.

Hedges consist primarily of currency derivatives, which are further described in the following sections.

Risk on raw material prices is not hedged by way of financial instruments. Risks on change in interest rates are not considered material for the purposes of the financial statements.

Financial instruments by category

Amounts in DKK Millions	2024	2023
Shares	6,844	4,146
Bonds	7,795	7,615
Long-term electricity swap	0	1
Financial assets measured at fair value through profit or loss	14,639	11,762
Trade receivables	6,187	5,545
Cash and cash equivalents	4,000	5,957
Financial assets measured at amortised cost	10,187	11,502
Long-term electricity swap	23	0
Financial assets measured at amortised cost	23	0
Bank and other loans	116	132
Trade creditors	2,939	2,656
Financial liabilities measured at amortised cost	3,055	2,788
Buy-back obligation relating to shares	7,926	6,416
Financial liabilities measured at fair value through profit and loss	7,926	6,416
Forward currency contracts	149	24
Financial liabilities measured at fair value through OCI	149	24

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29 Financial risk management and financial assets (continued)

Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value hierarchy

Amounts in DKK Millions	Quoted market prices (level 1)	Valuation based directly or indirectly market (level 2)	Valuation techniques based on unobservable inputs for valuation (level 3)	Total
2024				
Shares	6,844	0	0	6,844
Bonds	7,795	0	0	7,795
Financial assets measured at fair value as of 31 December	14,639	0	0	14,639
Buy-back obligation relating to shares	0	0	7,926	7,926
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	
Financial liabilities measured at fair value as of 31 December	0	149	7,949	8,075
2023				
Shares	4,146	0	0	4,146
Bonds	7,615	0	0	7,615
Long-term electricity swap	0	0	1	1
Financial assets measured at fair value as of 31 December	11,761	0	1	11,762
Buy-back obligation relating to shares	0	0	6,416	6,416
Forward currency contracts	0	24	0	24
Financial liabilities measured at fair value as of 31 December	0	24	6,416	6,440

There were no transfers between the 3 levels during 2024 or 2023.

Valuation techniques and assumptions used

Management assesses that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

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29 Financial risk management and financial assets (continued)

Buy-back obligation

The buy-back obligation is valued annually with a price earnings approach. Management considers that the valuation method used is within the framework of generally accepted valuation methods for establishing fair value in the fair value hierarchy (level 3).

Price earnings values are determined on the basis of comparable industries. Input to the profit for the year is based on the realized, budget and forecast of the Grundfos Holding Group.

Valuation principles applied remain unchanged from 2023.

The main non-observable inputs in the calculation are profit for 2025 (budget), profit for 2026 (forecast) and P/E values for the peer group.

Foreign Exchange Derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions, with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable input. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

The models incorporate various input including the foreign exchange spot and forward rates, yield curves of the respective currencies, and currency basis spreads between the respective currencies. As at 31 December 2024, the mark-to-market values of other derivative asset positions do not contain a credit valuation adjustment attributable to derivative counterparty default risk.

The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Electricity swap

The Group has entered into a long-term electricity swap, in which the Group purchases renewable electricity from a windfarm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a 10-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the Group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates on non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a local currency, normally being a foreign currency).

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 15-month period for hedges of forecasted sales and purchases. The Group hedges its exposure to fluctuations on the translation into Danish Kroner of its foreign operations by using foreign currency swaps and forwards.

At 31 December 2024, the Group has hedged 80% of the next 12 months' exposure of its expected foreign currency sales. The hedged sales were highly probable at the reporting date.

The foreign currency risk is hedged by using foreign currency forward contracts.

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29 Financial risk management and financial assets (continued)

The majority of Grundfos' transactions are denominated in USD, EUR, AUD, GBP, CNY or HUF. The functional currency of the subsidiaries is generally the local currency, therefore, Grundfos has exposure to these currencies through the translate value of future EBIT and cash flows. The following table demonstrates the sensitivity to the possible change in the exchange rates of the currencies below after the effect of hedge accounting, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. Given the Danish Kroner has a fluctuation limit of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the effect of EUR on sensitivity is minimal.

Currency Sensitivity – impact to equity (before tax)

	Increase in exchange rate	2024			2023		
		Monetary items	Hedging	Net	Monetary items	Hedging	Net
USD	5 %	37	-92	-55	32	-48	-16
AUD	5 %	3	-14	-11	4	-13	-9
GBP	5 %	17	-39	-22	15	-32	-17
CNY	5 %	12	-22	-10	3	-20	-17
HUF	5 %	0	21	21	0	22	22
Total		69	-146	-77	54	-91	-37

The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity.

The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflow in each currency for a period of up to 12 months.

Profit before tax will not be impacted by changes in the exchange rates due to a high degree of efficiency in the hedging..

Liquidity risk

The Group monitors its risk of a shortage of funds using a liquidity planning tool. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and lease contracts. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the Group's debt will mature in less than one year as at 31 December 2024 (2023: 10%) based on the carrying value of borrowings reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Further, to prevent significant restrictions to Grundfos' liquidity, cash is held among several investment grade financial institutions to minimise loss in an illiquidity event.

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29 Financial risk management and financial assets (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Maturity				
Amounts in DKK Millions	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31 December 2024					
Interest-bearing loans and borrowings (excl. Items below)	0	58	58	0	116
Lease liabilities (refer to note 12)	61	182	364	0	607
Trade and other payables	2,449	490	0	0	2,939
Buy-back obligation relating to shares	0	1,626	1,173	5,127	7,926
Forward currency contracts	40	109	0	0	149
Long-term electricity swap	1	7	13	2	23
Total	2,551	2,472	1,608	5,129	11,760
As at 31 December 2023					
Interest-bearing loans and borrowings (excl. Items below)	0	124	8	0	132
Lease liabilities (refer to note 12)	41	121	239	0	401
Trade and other payables	2,213	443	0	0	2,656
Buy-back obligation relating to shares	0	1,151	998	4,267	6,416
Forward currency contracts	-5	-19	0	0	-24
Long-term electricity swap	0	0	-1	0	-1
Total	2,249	1,820	1,244	4,267	9,580

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30 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is in accordance with guidelines defined by the majority owner, Poul Due Jensens Fond, to ensure and support healthy economic growth and development of the Grundfos Group.

This includes to maintain a solid equity ratio – under the current economic conditions – at a level above 60%.

There is no written dividend policy; however, in recent years, dividend distribution has been at a level of 50% of the consolidated profit of the year.

Amounts in DKK Millions	31 December 2024	31 December 2023
Bank and other loans	723	533
Trade and other payables	2,939	2,656
Less: cash and short-term deposits	-18,566	-17,654
Net debt	-14,904	-14,465

In terms of liquidity, the Group has a cash reserve comprising cash and cash equivalent (see Note 16) and securities (see Note 13).

The Group has only few and immaterial loans. Thus, the Group is not subject to financial covenants from banks or other financial institutions.

Gearing ratio is negative, demonstrating that the Group has effectively no net debt.

31 Hedging activities and derivatives

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the local currency of entities within the Group. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged.

Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

0-6 months: 80% - 90%

7-12 Months: 70% - 80%

12-15 Months: 50% - 70%

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31 Hedging activities and derivatives (continued)

These forecast transactions are highly probable. Refer to the table below for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Kroner has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the Group has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero.

The net amount of the foreign exchange contracts is presented within either 'Other Current Assets' or 'Other Current Liabilities', depending on whether the carrying amount is positive or negative

The Group is holding the following foreign exchange forward contracts as at 31 December 2024:

Foreign exchange forward contracts (highly probable forecast sales or purchases)

			Maturity						
	Fair Value, Asset	Fair Value, Liability	Notional Amount	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 to 6 months</u>	<u>6 to 9 months</u>	<u>9 to 12 months</u>	<u>Total</u>
USD			EUR	29	31	62	66	56	244
AUD			EUR	6	11	15	16	11	59
GBP			EUR	15	13	21	20	13	82
CNY			EUR	44	120	115	92	46	417
HUF			EUR	-1,900	-3,900	-6,180	-5,970	-4,540	-22,490

Notional amount (in DKK millions)

				Maturity					
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	Total
	Fair Value, Asset	Fair Value, Liability	Notional Amount						
USD	0.0	-76.0		211	222	443	472	401	1,749
AUD	4.0	4.0		25	48	66	72	47	258
GBP	0.0	-17.0		131	119	192	180	118	740
CNY	0.0	-9.0		43	118	113	90	45	409
HUF	0.0	-11.0		-34	-71	-112	-108	-82	-407

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31 Hedging activities and derivatives (continued)

Average forward rate (EUR/one currency unit)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity				
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months
USD				1.072	1.106	1.100	1.116	1.088
AUD				1.668	1.658	1.641	1.667	1.665
GBP				0.848	0.866	0.864	0.857	0.847
CNY				7.846	7.805	7.789	7.741	7.698
HUF				399.233	403.053	401.096	408.208	423.449
								407.505

The Group is holding the following foreign exchange forward contracts as at 31 December 2023:

Foreign exchange forward contracts (highly probable forecast sales or purchases)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity				
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months
USD			EUR	20	34	34	23	23
AUD			EUR	5	10	17	14	9
GBP			EUR	12	11	15	19	14
CNY			EUR	44	62	106	111	77
HUF			EUR	-2,398	-3,526	-6,417	-5,868	-3,564
								-21,773

Notional amount (in DKKm)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity				
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months
USD	12.8	1.0		132	230	232	153	158
AUD	1.2	3.9		22	47	80	63	41
GBP	0.6	7.5		100	95	127	161	126
CNY	11.1	0.0		42	59	101	105	73
HUF	18.3	1.3		-47	-69	-125	-114	-69
								-424

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31 Hedging activities and derivatives (continued)

Average forward rate (EUR/one currency unit)

	Fair Value, Asset	Fair Value, Liability	Notional Amount	Maturity					Total
				Less than 1 month	1 to 3 months	3 to 6 months	6 to 9 months	9 to 12 months	
USD				1.099	1.094	1.104	1.092	1.091	1.096
AUD				1.556	1.627	1.637	1.678	1.675	1.644
GBP				0.895	0.896	0.878	0.878	0.877	0.883
CNY				7.294	7.393	7.683	7.726	7.712	7.611
HUF				408.407	415.239	408.539	411.117	396.390	408.233

The impact of hedged items on the statement of financial position is, as follows:

Amounts in DKK Millions	Volume of foreign exchange forward contracts	Cash flow hedge reserve
31 December 2024		
Highly probable expected net cash flows from customers/to vendors	6.760	149
31 December 2023		
Highly probable expected net cash flows from customers/to vendors	6,470	24

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is, as follows:

Amounts in DKK Millions	Total hedging gain/loss recognised in OCI	Ineffec- tiveness recognised in profit and loss	Line item in the statement of profit and loss
Year ended 31 December 2024			
Highly probable expected net cash flows from customers/ to vendors	149	0	Revenue/ production cost
Year ended 31 December 2023			
Highly probable expected net cash flows from customers/ to vendors	24	0	Revenue/ production cost

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32 Related parties

Related parties of the Poul Due Jensen Foundation comprise the board of Directors and the registered Group Management of the Poul Due Jensen Foundation.

Transactions with related parties

In the financial year, no transactions took place with the Board of Directors and the Executive Board other than the transactions as a result of conditions of employment.

For compensation of the Board of Directors and the Executive Board of the Group please refer to note 5.

33 Events after the balance sheet date

The Board of Directors of Poul Due Jensen Foundation has approved the issuance of these consolidated financial statements on 27 February 2025.

After the balance sheet date the Board of Directors has approved distributions of DKK 0m.

Subsequent to 31 December 2024, there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the Annual Report.

34 Summary of material Accounting Policies

Basis of preparation

The Annual Report for the year ended 31 December 2024 has been prepared in accordance with IFRS Accounting Standards (R) as adopted by the European Union (EU), and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C (Large) entities.

The Group has adopted all new, amended or revised IFRS Accounting Standards and interpretations as endorsed by the EU effective as of 1 January 2024.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, earn out, buy-back obligation relating to shares and debt or securities and equity financial assets that have been measured at fair value.

The Annual Report is presented in Danish Kroner (DKK), the functional currency of the parent foundation, and all amounts are stated in millions, except when otherwise indicated.

Basis of consolidation

The consolidated financial statements comprise the parent company, Poul Due Jensen Foundation, and subsidiaries over which Poul Due Jensen Foundation exercises control.

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34 Summary of material Accounting Policies (continued)

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit or loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Minority interests with related buy-back obligation

The contractual obligation to purchase minority interests (put option) gives rise to a financial commitment (derivative financial instrument). The financial commitment is measured at fair value and, when determined, it is assumed that the purchase of the shares will take place on the earliest possible date and for the maximum number of shares. As accounting policy, the foundation has chosen to immediately cease the recognition of minority interests and to include a financial commitment (derivative financial instrument). Any differences between the amount relating to minority interests and the recognition of the financial commitment related to the put option is recognised in the equity. Subsequent changes in the financial commitment is recognised directly in the profit and loss account.

Any dividends paid to the minority going forward are recognised in the consolidated financial statements as a cost, except in the situation where the dividend is a reduction in the debt to the minority. As a result, the minority's share of the result is allocated to the majority, as there is no minority. When the option is used, the financial commitment is offset by the payment by the Foundation of the exercise price related to the put option. If the option expires, the minority interest is re-recognised and any differences between the minority interest and the financial commitment are recognised as own funds.

New and amended standards and interpretations

The following accounting standards/amendments are effective as of 1 January 2024.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The above standards and amendments do not have material impact on our financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following accounting standards / amendments are effective as of 1 January 2025.

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34 Summary of material Accounting Policies (continued)

Lack of exchangeability – Amendments to IAS 21

IFRS 18 Presentation and Disclosure in Financial Statements – Replacement of IAS 1 Presentation of Financial Statements

The adoption is not expected to have material impact on our financial statements.

Critical accounting estimates and judgements

In preparing the consolidated financial statement, Management has made judgements, estimates and assumptions that affect how the Group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported.

Judgements

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Special items

The use of special items entails management judgement in the separation from ordinary items. Management carefully assesses individual classifications for a fair distinction between operating activities and significant income and expenses of a special nature. The exit decision from Russia and Belarus led to one-off expenses which management deems a special item.

Exit related expenses relate to impairment of assets and cost related to severance and other legal commitments arising from the Share Purchase Agreement with the buyer.

Management has assessed the various scenarios and likelihood in their judgement and estimation of the provision.

Assumptions and estimation uncertainties

Management makes accounting estimates and assumptions on which the recognition and measurement of the Group's revenues, expenses, assets and liabilities, and the accompanying disclosures, are based.

The following provides information about assumptions and estimation uncertainties which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Tax (Note 9)

Conducting business globally the interpretation of local tax regulations – including transfer pricing – creates uncertainty with regards to timing, assessment and other assumptions. Management reviews the assumptions on an ongoing basis. Tax assets and liabilities are recognised at the most likely future impact to the consolidated financial statements, considering the level and timing of future taxable income.

Impairment test of goodwill (Note 10)

The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future production and unit prices. Please refer to Note 10 for more details related to the impairment test.

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34 Summary of material Accounting Policies (continued)

Depreciation on tangible non-current assets (Note 11)

The expected lifetime for tangible assets is determined based on experience and expectations for future use of the assets. Estimated lifetime is linked to uncertainty due to varying utilisation.

Inventories (Note 14)

Valuation of inventories includes estimates related to allocation of indirect cost and estimates on the net realisable value at which inventories are expected to be sold. Estimates in these areas are based on judgements such as determination of obsolete items and expected future turnover.

Trade receivables (Note 15)

The valuation of trade receivables includes estimates on the expected credit loss. These estimates are based on statistics over the historic risk of credit losses, and judgements over future risk of losses. By nature, this methodology is associated with uncertainty.

Pension obligations, defined benefit plans (Note 18)

Pension obligations under defined benefit plans are based on assumptions in the actual individual agreements (such as a fixed amount or a percentage of the employee's salary) and generic assumptions (interest, inflation, mortality etc.) which are associated with a degree of uncertainty. External actuarial support is used on significant plans.

The calculated pension obligation is measured at discounted present value.

Provisions (Note 19)

Provision for warranty is determined on historic experience on the level and size of claims under the warranty provided. The provision is adjusted annually. Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain. When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings.

Estimated cost of restructuring reflects the total estimated cost of decided or foreseen significant restructuring measures.

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35 Group General Accounting Policies

Revenue

Pump solutions

Pump solution relates to sale of finished goods of which revenue is recognised in the statement of profit and loss when control of the products has been transferred to the customer (the performance obligation is satisfied at a point in time). Control is transferred when the products are delivered, which occurs when the Group has objective evidence that all criteria for transfer of risk has been satisfied. Sales are only recognized to the extent that it is highly probable that a significant reversal will not occur. Products are often sold with retrospective volume discounts. Revenue is measured at the fair value of the consideration agreed, excluding VAT, duties, and discounts in relation to the sale contract. Accumulated experience is used to estimate variable considerations (expected value method). The validity of assumptions and estimates are reassessed at each reporting date. Because of historical accurate estimates, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur.

Service sales

Service income is recognized in the statement of profit and loss as the services are rendered. Accordingly, the recognised sale corresponds to the sales value of the work performed during the year. This is determined based on the actual cost incurred relative to the total expected cost. The sale of services is recognised in the statement of profit and loss when the aggregated income and expenses of the service contract can be reliably measured, and it is probable that the Group will receive the financial benefits, including payments.

Project sales

In addition to the standard pump sales Grundfos develops and delivers highly customised pump solution. The performance obligation is satisfied over time and payment is generally due upon completion of installation and acceptance of the customer. In some contracts, short-term advances are required before the installation service is provided.

A loss is recognized if the sum of the expected cost for services under the contract exceeds the transaction price.

The Group's standard payment terms are 30-60 days. However, there may be country-specific deviations from the standard payment terms. The Group does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. Therefore, the Group does not adjust any of the transaction prices for the time value of money. A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Production cost

Production cost comprises cost incurred in generating the revenue for the year. This includes direct and indirect cost such as staff cost, depreciation, amortisation and provisions for obsolete inventory.

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35 Group General Accounting Policies (continued)

Research and development cost

Research and development cost is cost that relates to the Company's R&D activities, including staff cost, amortisation and depreciation. Research costs is recognised in the profit and loss account in the year they are incurred.

Development cost incurred for the maintenance and optimisation of existing products or production processes are recognised in the profit and loss account. Cost for the development of new products is recognised in the profit and loss account, unless the criteria for recognition in the consolidated statement of financial position are met for the individual development project.

Staff cost

Staff cost includes the Group's total costs of wages, salaries, pensions and other social insurance costs.

Special items and earnings before interest and tax (EBIT) before special items

Special items include significant and rarely occurring items that are the result of external events over which Grundfos have no influence and are not attributable to Grundfos' normal operations. This includes – but is not limited to – unforeseeable events that would be considered as force majeure such as natural disasters and political actions that significantly impacts Grundfos' operations.

Consequently, operating profit (EBIT) before special items is defined as operating profit (EBIT) excluding the above-mentioned special items.

Finance income and expenses

Finance income and expenses comprise interest received, and interest paid, realised and unrealised gains and losses on securities, receivables, debt and transactions denominated in foreign currencies. Further, the interest element of leasing payments is included.

Fair value adjustments of the financial commitment (derivative financial instrument) to purchase minority interest (put option) is recognized directly in the profit and loss account.

Any dividends paid to the minority are recognised in the consolidated financial statements as a cost, except in the situation where the dividend is a reduction in the debt to the minority.

Goodwill

Goodwill is recognised at initial recognition in the statement of financial position at cost and allocated to cash-generating units as described under "Note 10 Intangible assets".

Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Other intangible assets

Other intangible assets are measured at cost less accumulated amortisation and write-downs.

Amortisation on other intangible assets is made according to the straight-line method over the anticipated economic life of the asset.

Estimated useful lives and residual values are reassessed annually. The estimated useful lives are:

Know-how	3-10 years
Customer relations	3-10 years
Other intangible assets	3-10 years

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35 Group General Accounting Policies (continued)

Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or utilisation opportunity within the group is demonstrated, and where the group intends to produce, market or use the project, are recognised as intangible assets, provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover cost of sales, selling and distribution costs and administrative expenses and development costs.

Other development costs are recognised in the consolidated statement of profit or loss when incurred.

Recognised development projects are measured at cost less accumulated amortisation and impairment.

Cost includes direct and indirect expenses, including wages.

Completed development projects are generally amortised on a straight-line basis over 5 years.

Development projects in progress are not amortised, but annually tested for impairment.

Property, plant & equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the assets is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	20-40 years
Technical installations and machinery	3-10 years
Other technical installations	3-10 years
Land	Not depreciated

The remaining useful life is reassessed annually and adjusted as necessary. The residual value of an asset is considered when the depreciable amount of the asset is determined.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually. When the residual value exceeds the carrying amount of the assets, depreciation is discontinued. If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains and losses are recognised in the consolidated statement of profit or loss as other operating income or operating cost in the period of disposal.

Right-of-use assets and lease liability

For identified leases, a right-of-use asset and a corresponding lease liability are recognised on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related costs, including dismantling and restoration costs.

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35 Group General Accounting Policies (continued)

Right-of-use assets depreciated by the straight-line method over the lease term or the useful life of the leased asset, whichever is shortest.

The lease liability is measured at the present value of lease payments of the lease term discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental Grundfos borrowing rate is applied corresponding to the borrowing rate used in the country specific project.

Lease extensions are applied where they are available and when it is foreseeable and reasonably certain they will be exercised.

Right-of-use assets and lease liabilities are not recognised for low value lease assets below DKK 50.000 or leases with a term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease.

Trade receivables and other receivables

Receivables are measured at amortised cost less expected credit losses. The estimated value is discounted where relevant.

Contracted work in progress is measured at sales value of the completed part of the contracts as at the date of statement of financial position.

Expected credit loss is based on historic experience including impact from regional and specific circumstances.

An impairment analysis is performed to measure expected credit losses. The provision rates are based on days past due, customer geography, type and rating and coverage by letters of credit or other forms of credit insurance. Generally, trade receivables are written-off if past due for more than one year.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Inventories

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and indirect costs such as material and labour, maintenance of and depreciation on production machinery, buildings and equipment and costs relating to production administration and management.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to make the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Provisions

Provisions are recognised when, as a result of past events, the Group has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at the expected future cash flows and – where material – discounted, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings.

Pension and similar obligations

The Group has established defined-benefit plans with certain employees at some of the Group's foreign companies. The plans place the Group under an obligation to pay a certain benefit in connection with retirement (e.g. in the form of a fixed amount at retirement or a proportion of the employee's exit salary). The pension obligations are determined by discounting the pension obligations at the present value. The present value is determined based on assumptions about the future development in economic variables such as interest rates, inflation, mortality and disability probabilities, which are subject to some degree of uncertainty. External actuaries are used for the measurement of all significant defined-benefit plans. The assumptions used are disclosed in Note 18 Pension and similar obligations.

Tax

Income tax

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the consolidated statement of profit or loss.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax

Deferred tax is measured using all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a setoff against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are assessed on an ongoing basis and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to apply in the year when the asset is realised, or the liability is settled.

Deferred tax assets and deferred tax liabilities are set off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

A temporary exception from the requirement to account for deferred taxed arising from the implementation of the Global Minimum Tax has been applied.

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35 Group General Accounting Policies (continued)

Uncertain tax positions

Uncertain tax positions are recognized if it is probable that the uncertain tax position will affect the Group's future tax payments. Uncertain tax positions are measured at the expected future value to be settled.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Financial instruments

Financial assets and financial liabilities

Financial assets and liabilities are measured at fair value through the consolidated statement of profit or loss or at fair value through other comprehensive income (hedging instruments).

Derivates and hedge accounting

Derivative financial instruments are measured at fair value.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk).

Effectiveness is monitored by comparing the change in the value of the future cash flow hedged to the change in the value of the derivative.

Changes in the fair value of derivative financial instruments designated as a hedge of a recognised asset or liability are recognised in other comprehensive income.

Changes in the fair value of derivative financial instruments that are not designated as a hedge or does not meet the criteria for hedge accounting are recognised as finance income or finance costs in the consolidated statement of profit or loss.

Other financial assets and liabilities

Receivables and other financial assets are measured at amortised cost and written down for expected credit loss on bad debt.

Payables are measured at amortised cost.

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Notes to the consolidated financial statements

35 Group General Accounting Policies (continued)

Fair value measurements

The Group uses fair value for certain disclosures and measurement of financial instruments and other investments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming that they are acting in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole.

LEVEL 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

LEVEL 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

LEVEL 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of interest rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Fair value of the issued bonds is equal to the listed bond price at the balance sheet date.

The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and estimated volumes of electricity produced.

Business combinations

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated statement of profit or loss until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the Group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of profit and loss as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group cash-generating units that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

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35 Group General Accounting Policies (continued)

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the consolidated statement of profit or loss. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have significantly different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

Government grants

Grants for R&D purposes are recognised as income in the consolidated profit and loss account under R&D costs, thus offsetting the costs they compensate.

Grants for the purchase of assets and development projects that are capitalised are offset in the cost of the assets to which the grants are given.

Foreign currency translation

For each of the reporting entities in the Group, a functional currency is determined. The functional currency of the parent company is DKK. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates 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 consolidated statement of profit or loss as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the reporting date. The difference between the exchange rates at the date of statement of financial position and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the consolidated statement of profit or loss.

The consolidated statement of profit or loss and statement of comprehensive income of entities with a functional currency other than Danish kroner are translated at the exchange rates at the transaction date. Balance sheet items are translated at the exchange rates at the date of statement of financial position. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions.

Foreign currency translation adjustments that are considered part of the total net investment in entities with another functional currency than DKK are recognised in the consolidated financial statements in other comprehensive income under a separate reserve for foreign currency translation adjustments under equity.

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35 Group General Accounting Policies (continued)

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities are calculated in accordance with the indirect method based on profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments, dividends received and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, of intangible assets, property, plant and equipment and other non-current assets as well as securities that are not presented as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses as well as borrowings, repayment of interest-bearing debt, repayment of lease commitments, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand. Cash flow in currencies other than the functional currency are translated using average exchange rates unless this deviates significantly from the rate at the transaction date.

Contingent liabilities and assets

Contingent liabilities comprise obligations that are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability.

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Parent Foundation Financial Statements 1 January – 31 December

Statement of profit and loss

Note	Amounts in DKK Millions	2024	2023
1,2,3	Administrative cost	-37	-27
	Earnings before interest and tax (EBIT)	-37	-27
	Income from investments in affiliated companies	3,010	2,987
4	Financial income	812	594
	Profit before tax	3,785	3,554
5	Income tax expenses	-175	-124
	Profit for the year	3,610	3,430
	Attributable to:		
	Retained earnings	1,740	1,048
	Reserve equity method	1,521	2,107
	Distributions	349	275
	Total	3,610	3,430

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Parent Foundation Financial Statements 1 January – 31 December

Statement of other comprehensive income

Note	Amounts in DKK Millions	2024	2023
	Profit for the year	3,611	3,430
	Other comprehensive income that may be reclassified to profit and loss in subsequent periods (net of tax)		
	Other comprehensive income from affiliated companies	-299	-224
	Other comprehensive income that may be reclassified to profit and loss in subsequent period, net of tax	-299	-224
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods (net of tax)		
	Other comprehensive income from affiliated companies	-28	43
	Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax	-28	43
	Other comprehensive income for the year, net of tax	-327	-181
	Total comprehensive income for the year, net of tax	3,284	3,249
	Attributable to:		
	Retained earnings	1,740	1,048
	Reserve equity method	1,195	1,926
	Distributions	349	275
	Total comprehensive income for the year, net of tax	3,284	3,249

POUL DUE JENSEN GRUNDFOS FOUNDATION

Parent Foundation Financial Statements 1 January – 31 December

Statement of financial position

Note	Amounts in DKK Millions	2024	2023
	ASSETS		
	Non-current assets		
	Property, plant and equipment		
6	Right-of-use assets	11	12
	Total, property, plant and equipment	11	12
	Financial assets		
7	Investments in affiliated companies	21,922	20,340
5	Deferred tax assets	0	75
	Total financial assets	21,922	20,415
	Total non-current assets	21,933	20,427
	Current assets		
5	Income tax receivable	30	0
8	Other receivables	41	51
9	Securities	9,859	8,554
10	Cash and cash equivalents	175	134
		10,105	8,739
	Total current assets	10,105	8,739
	TOTAL ASSETS	32,038	29,166
	EQUITY AND LIABILITIES		
11	Basic capital	505	505
	Retained earnings	11,664	9,559
	Reserve equity method	19,108	18,434
	Proposed provision for distribution	438	384
	Total equity	31,715	28,882
	Non-current liabilities		
6	Lease liabilities	3	3
	Total non-current liabilities	3	3
	Current liabilities		
6	Lease liabilities	1	1
5	Income tax payable	0	13
12	Other liabilities	319	267
	Total current liabilities	320	281
	Total liabilities	323	284
	TOTAL LIABILITIES AND EQUITY	32,038	29,166

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Parent Foundation Financial Statements 1 January – 31 December

Statement of cash flows

Note	Amounts in DKK Millions	2024	2023
	Operating activities		
	Profit after tax	3,610	3,430
3	Depreciation and amortisation of non-current assets	1	1
4	Finance income	-812	-594
4	Finance expenses	0	0
7	Income from investments in affiliated companies	-3,010	-2,987
5	Tax for the year	175	124
14	Changes in net working capital	10	-19
	Dividend received	1,488	880
	Cash flow from operations before financial items and tax	1,462	835
	Taxes paid	-143	-5
	Interest paid and realised currency losses	0	0
	Interest received and realised currency gains	280	253
	Interest paid on lease liabilities	0	0
	Cash flow from operating activities	1,599	1,083
	Investing activities		
	Purchase of affiliated company	-300	-25
9	Purchase of securities	-3,996	-4,474
9	Sale of securities	3,224	3,632
	Cash flow from investing activities	-1,072	-867
	Net cash flow from operating and investing activities	527	216
	Financing activities		
15	Payment of principal portion of lease liabilities	-1	-9
	Distributions paid	-243	-176
	Acquisition and sale of minority holdings	-242	40
	Cash flow from financing activities	-486	-145
	Net increase/decrease in cash and cash equivalents	41	71
	Cash and cash equivalents as at 1 January	134	63
	Cash and cash equivalents as at 31 December	175	134

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Parent Foundation Financial Statements 1 January – 31 December

Statement of changes in equity

Note	Amounts in DKK Millions	Basic capital	Retained earnings	Reserve equity method	Proposed revision for distribution	Total
	Balance at 1 January 2024	505	9,559	18,434	384	28,882
	Profit for the year	0	1,740	1,521	349	3,610
	Other comprehensive income	0	0	-327	0	-327
	Distributions paid	0	0	0	-295	-295
	Adjustment to provision for distributions	0	0	0	0	0
	Transaction with non-controlling interests	0	365	-520	0	-155
	Total other transactions	0	365	-520	-295	-450
	Balance at 31 December 2024	505	11,664	19,108	438	31,715
	Balance at 1 January 2023	505	8,235	16,775	364	25,879
	Profit for the year	0	1,048	2,107	275	3,430
	Other comprehensive income	0	0	-181	0	-181
	Distributions paid	0	0	0	-255	-255
	Adjustment to provision for distributions	0	0	0	0	0
	Transaction with non-controlling interests	0	276	-267	0	9
	Total other transactions	0	276	-267	-255	-246
	Balance at 31 December 2023	505	9,559	18,434	384	28,882

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Parent Foundation Financial Statements 1 January – 31 December

Notes to parent foundation financial statements

Amounts in DKK Millions		2024	2023
1	Administration cost		
	Staff cost	16	14
	Depreciation and amortisation	1	1
	Other administration	20	12
	Total	37	27
2	Staff cost		
	Wages and salaries	15	13
	Pensions	1	1
	Total	16	14
Staff costs are recognised as follows:			
	Administration cost	16	14
	Total	16	14
	Average number of full-time employees	9	8
	Numbers of employees at year-end	8	9
Staff costs include fee to the Executive Board and the Board of Directors of the Foundation for the directorships in the Foundation and can be specified as follows:			
	Executive Board	3	3
	Board of Directors	6	5
	Total	9	8
3	Depreciation, amortisation and impairments		
Amounts in DKK Millions		2024	2023
	Right-of-use assets, note 6	1	1
	Total	1	1
Depreciation, amortisation and are recognised as follows:			
	Administration cost	1	1
	Total	1	1

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Parent Foundation Financial Statements 1 January – 31 December

Notes

Amounts in DKK Millions		2024	2023
4	Financial income		
	Interest income bonds	189	183
	Value adjustments bonds	64	106
	Dividend income shares	60	65
	Value adjustments shares	468	235
	Other financial income	31	5
	Total	812	594
5	Tax		
	Income taxes in statement of profit or loss and reconciliation		
	Tax on the profit for the year is specified as follows:		
	Tax on profit/loss for the year	175	124
	Total	175	124
	Tax on the profit for the year has been calculated as follows:		
	Current income taxes	96	49
	Deferred income taxes	75	76
	Adjustment regarding previous years	0	-1
	Top-up corporate income tax	4	0
	Total	175	124
	Effective tax rate can be calculated as follows:		
	Danish tax rate	22%	22%
	Non-taxable income and non-deductible expenses	-17%	-19%
	Other, including adjustments regarding previous years and top-up corporate income tax	0%	0
	Effective tax rate	5%	3%
	Income tax:		
	Income tax receivable	30	0
	Income tax payable	0	-13
	Total income tax	30	-13

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Parent Foundation Financial Statements 1 January – 31 December

Notes

5 Tax (continued)

Deferred taxes

Changes in deferred tax

Amounts in DKK Millions	2024	2023
Net deferred tax assets 1 January	75	151
Deferred tax recognised in profit or loss account	-75	-76
Net deferred tax assets 31 December	0	75

Breakdown of deferred tax

Amounts in DKK Millions	2024	2023
Non-current assets	0	0
Current assets	0	0
Provisions	0	0
Liabilities	0	0
Tax loss carry forward	0	75
Net deferred tax assets	0	75

Reflected in the statement of financial position as follows:

Deferred tax assets	0	75
Deferred tax liabilities	0	0
Net deferred tax assets	0	75

The Foundation has tax losses by end of 2024 of DKK 0m (2023: DKK 75m) that are available indefinitely for offsetting against future taxable profits in the Foundation.

The Foundation has an unrecognised deferred tax liability of DKK 0m as at 31 December 2024 (2023: DKK 9m) in respect of tax provisions for subsequent distributions. The amount has not been recognised in accordance with accounting policies as it is not considered likely to be subject to taxation due to the Foundations intention to continue distributing resources in accordance with the Foundations objectives.

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6 Right-of-use assets

The Foundation has lease contracts primarily for buildings. Leases of buildings have a lease term of 10 years.

The Foundation's obligations under its leases are secured by the lessor's title to the leased assets. The Foundation is restricted from assigning and subleasing the leased assets.

The Foundation also has leases with lease terms of 12 months or less and leases of low value. The Foundation applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Amounts in DKK Millions	Property
Carrying amount at 1 January 2024	12
Additions	0
Depreciations	-1
Carrying amount at 31 December 2024	11
Carrying amount at 1 January 2023	4
Exchange rate adjustments	0
Additions	9
Depreciations	-1
Carrying amount at 31 December 2023	12

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Amounts in DKK Millions	2024	2023
Balance at 1 January	4	4
Exchange rate adjustments	0	0
Additions	0	9
Interest	0	0
Payments	0	-9
Balance at 31 December	4	4
Current	1	1
Non-Current	3	3
Total	4	4
Undiscounted lease liabilities maturity analysis		
Less than one year	1	1
One to three years	1	1
More than three years	2	2
Total undiscounted lease liabilities at 31 December	4	4

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6 Right-of-use assets (continued)

The following are the amounts recognised in profit and loss:

Amounts in DKK Millions	2024	2023
Depreciation expense of right-of-use assets	1	1
Interest expense on lease liabilities	0	0
Expense relating to short-term leases	0	0
Variable lease payments	0	0
Total	1	1

The Foundation had total cash outflows for leases of DKK 0m in 2024 (DKK 9m in 2023).

The Foundation has lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

7 Investments in affiliated companies

Amounts in DKK Millions	2024	2023
Cost at 1 January	1,906	1,645
Additions	920	271
Disposals	-12	-10
Cost at 31 December	2,814	1,906
Value adjustments at 1 January	18,434	16,775
Share of profit	3,010	2,987
Dividends received	-1,488	-880
Disposals of the year	-121	-106
Other value adjustments	-727	-342
Adjustments at 31 December	19,108	18,434
Carrying amount at 31 December	21,922	20,340

A specification of the investments in affiliated companies is evident from the management review.

8 Other receivables

Amounts in DKK Millions	2024	2023
Prepayments	3	0
Other current receivables	38	51
Total	41	51

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Amounts in DKK Millions		2024	2023
9	Securities		
	Costs at 1 January	8,355	7,419
	Additions during the year	3,996	4,474
	Disposals during the year	-3,179	-3,538
	Exchange rate adjustments	0	0
	Cost at 31 December	9,172	8,355
	Value adjustments at 1 January	199	-48
	Value adjustments during the year	488	247
	Value adjustments at 31 December	687	199
	Balance at 31 December	9,859	8,554
	Current	9,859	8,554
	Non-current	0	0
	Total	9,859	8,554
The portfolio consists solely of listed shares and bonds and is distributed as follows:			
	Shares	5,476	3,361
	Bonds	4,383	5,193
	Total	9,859	8,554
10	Cash and cash equivalents		
	Cash at bank and on hand	175	134
	Total	175	134

Cash at banks earns interest at floating rates based on daily bank deposit rates.

11 Basic capital

The basic capital amounts to DKK 505m.

The basic capital shall always remain untouched while the retained earnings is for the free disposal of the Foundation in accordance with the Foundation's objective.

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Amounts in DKK Millions		2024	2023	
12	Other liabilities			
	Accrued expenses	8	6	
	Accrued distributions	309	257	
	Other	2	4	
	Total	319	267	
13	Fees to auditors appointed			
	Fee to EY for statutory audit	0	0	
	Fee to EY for other assurance engagements	0	0	
	Fee to EY for tax advisory services	1	0	
	Fee to EY for other services	1	1	
	Total	2	1	
14	Changes in working capital			
	Changes in accounts receivable	10	-17	
	Change in other liabilities	0	-2	
	Total	10	-19	
15	Changes in liabilities arising from financing activities			
Amounts in DKK Millions		Current lease liabilities	Non-current lease liabilities	Total
	Balance at 1 January 2024	1	3	4
	Cash flows	0	0	0
	Net leases	0	0	0
	Balance at 31 December 2024	1	3	4
	Balance at 1 January 2023	0	4	4
	Cash flows	0	-9	-9
	New leases	1	8	9
	Balance at 31 December 2023	1	3	4

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16 Financial risk management and financial assets

The main purpose of the Foundation's financial liabilities is to finance the Foundation's operations and to provide guarantees to support its operations.

Foundation Management oversees the management of these risks, including overseeing that the Foundation's financial risk activities are governed by the policies and procedures outlined by Management and that financial risks are identified, measured and managed in accordance with the Foundation's policies and risk objectives. It is the Foundation's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees on policies for managing each of these risks.

Financial instrument by category

Amounts in DKK Millions	2024	2023
Shares	5,476	3,361
Bonds	4,383	5,193
Financial assets measured at fair value through profit or loss	9,859	8,554
Cash and cash equivalent	175	134
Financial assets measured at amortised cost	175	134
Buy-back obligation relating to shares	0	0
Financial liabilities measured at fair value through OCI	0	0

Fair value measurement

The following table provides the fair value measurement hierarchy of the Foundation's assets and liabilities.

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16 Financial risk management and financial assets (continued)

Fair value hierarchy

Amounts in DKK Millions	Quoted market prices (level 1)	Valuation based on directly or indirectly market (level 2)	Valuation techniques based on unobservabl e inputs for valuation (level 3)	Total
2024				
Shares	5,476	0	0	5,476
Bonds	4,383	0	0	4,383
Financial assets measured at fair value as of 31 December	9,859	0	0	9,859
Buy-back obligation relating to shares	0	0	0	0
Financial liabilities measured at fair value as of 31 December	0	0	0	0
2023				
Shares	3,361	0	0	3,361
Bonds	5,193	0	0	5,193
Financial assets measured at fair value as of 31 December	8,554	0	0	8,554
Buy-back obligation relating to shares	0	0	0	0
Financial liabilities measured at fair value as of 31 December	0	0	0	0

There were no transfers between the 3 levels during 2024 or 2023.

Valuation techniques and assumptions used

Managements assesses that the fair values of cash and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Buy-back obligation

The Foundation has a buy-back obligation to minority interests related to shares in Grundfos Holding A/S. Under the shareholders' agreement in Grundfos Holding A/S, minority interests in Grundfos Holding A/S must be able to sell their shareholdings back to the Foundation in whole or in part at a price that corresponds to the market value of the shares.

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16 Financial risk management and financial assets (continued)

Management considers that the valuation method used is within the framework of generally accepted valuation methods for establishing fair value in the fair value hierarchy (level 3). The fair value of the contractual obligation (financial instrument), measured as the difference between the expected purchase price and the fair value of the shares, is thus recognised at DKK 0m in the balance sheet of the parent company's financial statements as of 31 December 2024 (2023: DKK 0m).

Liquidity risk

There is no material liquidity risk in the Foundation.

17 Related parties

Related parties of Poul Due Jensens Fond comprise key management personal, including the Executive Board and the Board of Directors of Poul Due Jensens Fond, as well as the Executive Board and the Board of Directors of Grundfos Holding A/S.

In addition, related parties comprise affiliated companies, including Grundfos Holding A/S, and enterprises in which the above persons have a controlling interest.

For more information about related parties, including compensation to Group Management, see note 32 Related parties under the Consolidated Financial Statements.

Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Amounts in DKK Millions	2024	2023
Related party transactions		
Subsidiaries		
Sale of shares to Grundfos Holding A/S	378	287
Cost of services	6	6
Dividend received	1,488	880
Key management personnel		
Salaries and remunerations*	68	70
Dividends from Grundfos Holding A/S	75	44
Acquisition of shares in Grundfos Holding A/S	13	5
Sale of shares in Grundfos Holding A/S	136	0
Payable remuneration	48	41

*DKK 9m (2023: DKK 8m) has been paid from Poul Due Jensens Fond.

The amounts disclosed in the table are the amounts recognised as an expense or income during the reporting period.

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18 Events after the balance sheet date

The Board of Directors has approved the issuance of these financial statements on 27 February 2025.

After the balance sheet date the Board of Directors has approved distributions of DKK 0m.

As part of a group-internal reorganization, the Foundation has transferred the portfolio of listed shares and bonds to PDJF A/S against issuance of a loan note after the balance sheet date. Further, the Foundation has determined to transfer all its shares in Grundfos Holding A/S and PDJF Direct Invest ApS to PDJF A/S as an in-kind contribution on or around 1 March 2025.

Subsequent to 31 December 2024, there have been no further events with any significant effect on the financial statements beyond what has been recognized and disclosed in the Annual Report.

19 Parent Foundation Accounting Policies

Poul Due Jensens Fond is a Foundation domiciled in Denmark. The Annual Report for the period 1 January to 31 December 2024, comprises the Financial Statements of Poul Due Jensens Fond.

The Financial Statements of Poul Due Jensens Fond have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for large class C companies.

Unless otherwise indicated, the Annual Report is presented in DKK rounded to the nearest million.

Besides the following section, the accounting policies for Poul Due Jensens Fond are the same as for the Group.

Investments in subsidiaries

Investments in subsidiaries are measured at cost on initial recognition and subsequently at the proportionate share of the companies' net asset value calculated in accordance with the parent Foundation's accounting policies with the deduction or addition of unrealised intra-group gains and losses and with the addition or deduction of goodwill calculated according to the purchase method.

Companies with a negative net asset value are recognised at DKK nil, and any receivable amount from these companies is written down, to the extent it is deemed to be irrecoverable, by the parent Foundation's share of the negative net asset value. If the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent Foundation has a legal or constructive obligation to cover the subsidiary's negative balance.

The proportionate share of the profit and loss of subsidiaries after tax is recognised in the income statement after full elimination of intra-group gains/losses.

Minority interests with related buy-back obligation

The contractual obligation to purchase minority interests (put option) gives rise to a financial commitment (derivative financial instrument). The financial commitment is measured at fair value and, when determined, it is assumed that the purchase of the shares will take place on the earliest possible date and for the maximum number of shares. As accounting policy, the foundation has chosen to immediately cease the recognition of minority interests and to include a financial commitment (derivative financial instrument). Any differences between the amount relating to minority interests and the recognition of the financial commitment related to the put option is recognised in the equity. Subsequent changes in the financial commitment is recognised directly in the profit and loss account.

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19 Parent Foundation Accounting Policies (continued)

Any dividends paid to the minority going forward are recognised in the consolidated financial statements as a cost, except in the situation where the dividend is a reduction in the debt to the minority. As a result, the minority's share of the result is allocated to the majority, as there is no minority. When the option is used, the financial commitment is offset by the payment by the Foundation of the exercise price related to the put option. If the option expires, the minority interest is re-recognised and any differences between the minority interest and the financial commitment are recognised as own funds.

Especially, regarding the Foundations financial statements the Foundation has a buy-back obligation to minority interests related to shares in Grundfos Holding A/S. Under the shareholders' agreement in Grundfos Holding A/S, minority interests in Grundfos Holding A/S must be able to sell their shareholdings back to the Foundation in whole or in part at a price that corresponds to the market value of the shares. Management considers that the valuation method used is within the framework of generally accepted valuation methods for establishing fair value in the fair value hierarchy (level 3). The fair value of the contractual obligation (financial instrument), measured as the difference between the expected purchase price and the fair value of the shares, is thus recognised at DKK 0 in the balance sheet of the parent Foundations financial statement as of 31 December 2024.